

THE
HISTORY
OF THE
PUBLIC REVENUE
OF THE
BRITISH EMPIRE.

By JOHN SINCLAIR, Esq.

CAVENDUM EST, NE EXHAUSTO AERARIO, REPENTINA CALAMITATE RESPUBLICA
DESERATUR.

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THIS Work was begun in the month of August 1784, soon after the conclusion of the last Session of Parliament. When it was originally undertaken, the Author had no conception of the immense difficulties attending it; and they have increased to such a degree, that he has found it impossible to pursue it farther at present. He has judged it expedient, however, to lay before the Public the *First* and *Second* Parts of the Work: and, if the present publication should meet with a favourable reception, he proposes attempting a *Third* Part, containing—A History of the Progress of the National Revenue, together with some Observations on its present State—An Historical Account of the Progress of our National Expences—Observations on the Resources of

the Nation—An Analysis of our Public Debts; and an Enquiry into the real Nature and Amount of the Burden—A Plan for re-establishing the Public Credit and Finances of the Country; together with some Account of the Progress and Present State of the Revenue of Scotland and Ireland.

It is impossible that a Work of this nature, which comprehends such a number of objects, and includes such an extent and variety of matter, should be perfected at once. To complete it in a manner suited to the Author's ideas and wishes; to compose such a History of our Revenue as may clear up many doubtful points, correct the mistakes of former historians upon the subject, and minutely ascertain the real state of the national income in every æra of our history, would require many years of severe labour and intense application. The present Work is indeed little more than the first sketch or outlines of such a performance: and as the Author may, perhaps, be unable to execute so laborious a task himself, it is his intention to add to the Third Part, a full Account of all the various Writings which have been published upon the Finances of this Country, which may be of use to any other person who, with more leisure and happier talents, may also have courage and industry equal to so arduous an undertaking.

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It is only farther to be remarked, that although we have had many naval, military, commercial, ecclesiastical, and parliamentary histories, yet this may be said to be the first attempt at a financial history on an enlarged scale; and, it may be hoped, will, on that account, be received with the greater candour and indulgence by the Public.

TABLE of the SOVEREIGNS of ENGLAND,
from the CONQUEST.

Norman Line.

| King's Names. | When their Reigns began. | Years. | Reigned Months. | Days. |
|-----------------------|--------------------------|--------|--------------------|-------|
| William the Conqueror | - 1066 October 14. | 20 | 10 | 26 |
| William Rufus - | - 1087 September 9. | 12 | 10 | 24 |
| Henry I. - - | - 1100 August 2. | 35 | 4 | — |
| Stephen - - | - 1135 December 1. | 18 | 10 | 24 |

The Saxon or Plantagenet Line:

| | | | | |
|-----------------|---------------------|----|---|----|
| Henry II. - - | - 1154 October 25. | 34 | 8 | 11 |
| Richard I. - - | - 1189 July 6. | 9 | 9 | — |
| John - - | - 1199 April 6. | 7 | — | 12 |
| Henry III. - - | - 1216 October 19. | 56 | 1 | — |
| Edward I. - - | - 1272 November 16. | 34 | 7 | 21 |
| Edward II. - - | - 1307 July 7. | 19 | 6 | 20 |
| Edward III. - - | - 1327 January 27. | 50 | 5 | 25 |
| Richard II. - - | - 1377 June 21. | 12 | 3 | 8 |

The Line of Lancaster.

| | | | | |
|---------------|----------------------|----|---|----|
| Henry IV. - - | - 1399 September 29. | 13 | 5 | 21 |
| Henry V. - - | - 1413 March 20. | 9 | 5 | 11 |
| Henry VI. - - | - 1422 August 31. | 38 | 6 | 4 |

The Line of York.

| | | | | |
|------------------|-----------------|----|---|----|
| Edward IV. - - | - 1460 March 4. | 22 | 1 | 5 |
| Edward V. - - | - 1483 April 9. | — | 2 | 13 |
| Richard III. - - | - 1483 June 22. | 2 | 2 | — |

viii TABLE of the SOVEREIGNS of ENGLAND from the CONQUEST.

The House of Tudor.

| Kings Names. | | When their Reigns began. | Years. | Reigned Months. | Days. |
|-----------------|---|--------------------------|--------|--------------------|-------|
| Henry VII. | - | - 1485 August 22. | 23 | 8 | — |
| Henry VIII. | - | - 1509 April 22. | 37 | 9 | 6 |
| Edward VI. | - | - 1547 January 28. | 6 | 5 | 8 |
| Queen Mary | - | - 1553 July 6. | 5 | 4 | 11 |
| Queen Elizabeth | - | - 1558 November 17. | 44 | 4 | 7 |

The House of Stuart.

| | | | | | |
|-------------|---|--------------------|----|----|---|
| James I. | - | - 1602 March 24. | 22 | — | 3 |
| Charles I. | - | - 1625 March 27. | 22 | 10 | 3 |
| Charles II. | - | - 1648 January 30. | 36 | — | 7 |
| James II. | - | - 1684 February 6. | 4 | — | 7 |

Since the Revolution.

| | | | | | |
|--------------|---|---------------------|----|----|----|
| William III. | - | - 1688 February 13. | 13 | — | 23 |
| Queen Anne | - | - 1701 March 8. | 12 | 4 | 24 |
| George I. | - | - 1714 August 1. | 12 | 10 | 10 |
| George II. | - | - 1727 June 11. | 33 | 4 | 14 |
| George III. | - | - 1760 October 25. | | | |

CON-

C O N T E N T S.

P A R T I.

| | Page. |
|---|-------|
| I NTRODUCTION, <i>and Plan of the Work</i> | 3 |

C H A P. I.

| | |
|---|---|
| <i>Of the Modes made use of by the Ancient Britons for raising a public Revenue</i> | 6 |
|---|---|

C H A P. II.

| | |
|--|---|
| <i>Of the Revenues of Britain under the Roman Government</i> | 8 |
|--|---|

C H A P. III.

| | |
|--|----|
| <i>Of the Revenue of England during the Government of the Saxons</i> | 12 |
|--|----|

C H A P. IV.

| | |
|--|----|
| <i>General View of the ancient Revenue of the Crown of England</i> | 17 |
|--|----|

C H A P. V.

| | |
|--|----|
| <i>Of the Revenue of England under the Government of the Norman Line</i> | 37 |
|--|----|

C H A P. VI.

| | |
|---|----|
| <i>Of the Revenue of England during the Saxon Line, or House of Plantagenet</i> | 51 |
|---|----|

C H A P. VII.

| | | | | |
|--|---|---|---|----|
| <i>Of the Revenue of England during the Government of the Houses of Lancaster and York</i> | - | - | - | 82 |
|--|---|---|---|----|

C H A P. VIII.

| | | | | |
|---|---|---|---|-----|
| <i>Of the Revenue of England under the Government of the House of Tudor</i> | - | - | - | 100 |
|---|---|---|---|-----|

C H A P. IX.

| | | | |
|--|---|---|-----|
| <i>Of the Revenue of England, from the Accession of the House of Stuart to the Revolution 1688</i> | - | - | 138 |
|--|---|---|-----|

P A R T II.

C H A P. I.

| | | | | |
|---|---|---|---|---|
| <i>Of the various Modes of providing for the extraordinary Expences of a Nation</i> | - | - | - | 2 |
|---|---|---|---|---|

C H A P. II.

| | | | | |
|-----------------------------------|---|---|---|----|
| <i>Of Public Debts in general</i> | - | - | - | 16 |
|-----------------------------------|---|---|---|----|

C H A P. III.

| | | | |
|---|--|--|----|
| <i>Of the Public Debts of England, prior to the Revolution 1688</i> | | | 34 |
|---|--|--|----|

C H A P. IV.

| | | |
|---|---|----|
| <i>Of the Rise and Progress of our present National Debts</i> | - | 48 |
|---|---|----|

C H A P. V.

| | | | |
|--|---|---|----|
| <i>Of the Steps hitherto taken to diminish the Capital, and to reduce the Interest of the National Debt, with some Account of the different Plans suggested for that Purpose</i> | - | - | 94 |
|--|---|---|----|

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OF THE
P U B L I C R E V E N U E
OF THE
B R I T I S H E M P I R E.

P A R T I.

B

INTRODUCTION,

A N D

P L A N of the W O R K.

THE power of a State must greatly depend on the income it possesses. If it enjoys a considerable and unencumbered revenue, it can employ a greater proportion of its subjects to carry on war, or may cultivate to greater advantage, the arts of peace, when unembarrassed with hostilities: Whereas, with a small income, it can neither reward the services, nor encourage the exertions of its people; and it must principally trust, both for its improvement and protection, to the natural activity of mankind, or to the voluntary and disinterested zeal of public-spirited individuals.

But however numerous the advantages of a great Revenue, they are dearly purchased if they cannot be procured without oppression. A certain share of his annual income no individual can refuse to contribute for the general purposes of the State. Sometimes also a slight additional burden may prove an incentive to labour, and a spur to greater diligence and activity. But if the load becomes too heavy, either in consequence of the greatness of the amount, or the impolitic mode of laying it on, the industry of a nation diminishes, its wealth quickly disappears, the number of its people decreases, and the greater the occasion it has for resources, the fewer it will actually enjoy.

Unfortunately, the system of finance so prevalent in Modern Europe, has an unavoidable tendency to public oppression: Wars are perpetually arising, and the contest generally is, who can first drain the Exchequer, and destroy the credit of the enemy. It is soon discovered,

that war is not a favourable season for imposing heavy taxes on the property of the people, and that the best means of commanding the necessary supplies is, to borrow from those who have confidence in the faith of the nation and the security it can afford; and consequently who are willing to leave their capitals unclaimed, provided they are regularly paid a certain annual interest. To pay that interest, new taxes must be devised; and as little care is taken by ignorant, by interested, or by timid ministers, to lessen the incumbrances of war during the short intervals of peace, the burden perpetually increases; and the unhappy subject finds himself obliged, not only to assist in defraying the charges necessary for supporting the government under which he lives, but is also compelled to contribute to the payment of expences incurred for expeditions which took place a century ago, and for wars, commenced, perhaps, contrary to the interest of the nation; conducted with profusion and weakness, and, of course, terminated with disgrace.

In no country has the system I allude to been carried to such an excess as in Great Britain. From the year 1684 to the present time, it has been under the necessity of increasing its revenue from about *Two*, to at least *Fifteen Millions per Annum*. Fortunately the State can still bear that burden, heavy as it is; but as any considerable addition to it would probably be found unsupportable, and, at any rate, as such a system must sooner or later end in total bankruptcy, or the most grievous oppression, it is full time for the nation at large to consider what plan is the most likely to relieve us and our posterity from the danger either of infamy or distress.—To assist the public in so important a discussion, the following Work has been composed.

In attempting to give an historical account of the finances of this country, the subject naturally divides itself into two branches: The first will relate to our public Revenue prior to the Revolution 1688: The second, to our system of finance since that period. During the first era, the expences of the State were principally defrayed by the ordinary revenue of the crown. It seldom happened that any extraordinary tax was laid upon the people; and even then, it was only a temporary grant to the monarch upon the throne. The period since the Revolution is distinguished by principles of a very different nature.

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The State has assumed the appearance of a great corporation: it extends its views beyond the immediate events, and pressing exigencies of the moment—it forms systems of remote, as well as of immediate profit—it borrows money to cultivate, to defend, or to acquire distant possessions, in hopes that it will be amply repaid by the advantages they may be brought to yield. At one time it protects a nation whose trade it considers as beneficial: at another, it engages in war, lest the commerce of a neighbour and a rival should be too great: in short, it proposes to itself a plan of perpetual accumulation and aggrandizement, which, according as it is well or ill conducted, must either end in the possession of an extensive and a powerful empire, or in total ruin.

How far such a system can boast of advantages adequate to the hazards with which it is accompanied, and the consequences to which it leads, will more fully appear in the course of the following investigation.

C H A P. I.

Of the Modes made use of by the Ancient Britons for raising a public Revenue.

THE original inhabitants of the southern part of this island, it is probable, were descended from the ancient Gauls or Celtæ, to whom they bore a strong resemblance in respect to manners, language, government, and religion. They were divided into many tribes, or small communities, who being engaged in perpetual hostilities with each other, could make but little progress in the arts of cultivation and improvement. Their commerce principally consisted in the exportation of hides, tin, and other articles of little value, and from which little profit was derived. Their history remains involved in fable and obscurity, until they became objects of importance sufficient to draw upon them the notice and the arms of Rome, when, after a gallant struggle, they found themselves obliged to resign their independence, and submit to its yoke.

The government of the Ancient Britons, like that of every nation in a similar stage of society, was of a mixed nature. Each little tribe had a prince or leader, who conducted the operations of war; and who, in proportion to his ability and success in that department, acquired influence and authority over the community in times of peace. But the weight of such princes was of little avail, unless it accorded with the general wishes and prejudices of their subjects; and their income was of too scanty and limited a nature to furnish them with the means of increasing the little power they were able to obtain.

The domain, or personal estate of the monarch, was the principal support on which he placed his dependence. It enabled him to maintain the followers of his court, and occasionally to reward their fidelity and attachment with beneficial grants. If any addition was made to the territory of the State, the greater part of it in general fell to the share of the sovereign, by which that domain would be not a little increased; and when his authority came to be more confirmed, im-

portant accessions would arise from the frequent confiscations which must have taken place in such turbulent communities.

The British kings drew some advantage from the exercise of certain prerogatives with which they were invested. They commanded the forces of the community, and enjoyed a considerable share of the plunder that was taken; and the exclusive privilege they possessed of coining money, was probably attended with some pecuniary benefit¹.

Presents and subsidies from foreign nations are also accounted by such monarchs an important branch of their revenue. "The German princes (we are informed by a great historian) chiefly rejoice in the gifts which come from neighbouring countries, not only such as are sent by particular persons, but in the name of the State²." To the monarch of a small tribe, a suit of splendid armour, rich harness, and chains of gold, are matters of great moment; and the transition is not difficult from the receiving of such presents, to that of an annual subsidy in money. The Romans were the first who taught the northern nations that mercenary system.

Before taxes exist to any great amount, a politic and popular sovereign may draw a precarious revenue from the voluntary contributions of his subjects. The northern nations, as described by Tacitus, bestowed on their princes, of their own accord, a certain number of cattle, or a certain portion of grain, with a view, under the appearance of honour and of reverence, to supply their necessities³. There is every reason to believe, that such contributions were customary among the Ancient Britons, and indeed they are the real spring from which, in almost every country, taxes are derived.

Such, joined to personal services in war, were the slender sources on which alone the ancient inhabitants of this country depended, in order to protect themselves and their possessions from the ambition, the military force, and the opulence of Rome. Yet poor as the Britons were, and seldom united with each other, they were not subdued without making a gallant and obstinate resistance. If the conquest was so difficult in their state of poverty and disunion, it is scarcely to be doubted

¹ Henry's Hist. of Great Britain, vol. i. p. 206.

² Tacit. de Morib. Germ. c. 15. ³ Ibid.

HISTORY OF THE PUBLIC REVENUE

that they would have been able to have repelled their invaders, had they been the subjects of one monarch possessed of valour and ability in war, and enjoying an income sufficient to have enabled him to reward the zeal and exertions of his subjects. But, in the words of Tacitus, "they rarely united their forces against the common enemy; and by this means, while each community fought separately, they were all successively subdued⁴."

C H A P. II.

Of the Revenues of Britain under the Roman Government.

IN examining the various political distinctions between ancient and modern nations, none is more striking, or perhaps better intitled to attention, than the great disproportion between them, in regard to their public revenues. It is a singular and astonishing circumstance, that the province of Gaul alone should have been able, about a century ago, to maintain a body of men equal to the whole military and naval establishments of the Roman empire¹; and it is more than probable, that the revenues of France, of Spain, and of Great Britain, joined together, are at this time equal in amount to the whole income of that empire, when it was most flourishing and most extended².

It is natural to ascribe this circumstance, in some measure, to the discovery of America, and the great increase of specie in consequence of that event; and it is not to be doubted, that such an increase must have enabled modern nations to pay, with greater facility, the demands

⁴ Tacit. vita Agric. c. 12. Those who wish farther information with regard to the revenue of the Ancient Britons, may consult Campbell's Political Survey, book iv. ch. 1. and Henry's Hist. of Great Britain, vol. i. p. 204.

¹ Gibbon's Hist. vol. i. p. 18.

² A great modern historian calculates the amount of the Roman revenue at only fifteen or twenty millions of our money. Gibbon, vol. i. p. 164. But it must have become more considerable, particularly during the reign of Dioclesian, when a general system of exaction was spread over the whole empire.

of their respective governments. But notwithstanding the great influx of money into Europe, since the successful discoveries of Columbus, unless ancient historians deceive us, more specie must have actually existed in the various provinces of the Roman empire, during the reign of Augustus, or of Trajan, than now circulates in the three monarchies above-mentioned; and consequently other causes, perhaps the following in particular, must have produced so great a disproportion.

A warlike nation like the Romans considered commerce, and the arts depending on it, as but secondary objects of attention. With them valour in war, and a knowledge of the jurisprudence and political interests of their country, were the only estimable qualifications; whilst the skill necessary for carrying on traffic, was looked upon in a light the most contemptible. The profession of a merchant being held in disrepute, it was pursued by none who had spirit or abilities calculated for more popular and respectable employments: hence little encouragement was given to commercial exertions. The principles of trade were but little known, and instead of any addition and improvement to the progress made by other nations of antiquity, the discoveries they had brought to light were neglected, and the spirit of enterprise they had displayed, remained unrivaled by their conquerors. But in modern times the case is different: trade is no longer considered as dishonourable; it is undertaken by men of the greatest capacity, and of the most respectable characters; the principles of commerce are developed, and thoroughly understood: a spirit of industry is excited; the efforts of the merchant and of the manufacturer meet with every possible countenance and support: a new struggle has arisen among nations, and the contest is, not only who shall acquire the greatest extent of territory, but also who shall possess the greatest number of active and industrious subjects. The consequence is, a considerable addition to the general wealth of those countries where such objects have been attended to; and hence they have been enabled to furnish a greater revenue for the purposes of the State.

The extension of paper credit, and the establishment of public debts, are also circumstances which have not a little contributed to increase the ostensible income of several modern nations. By the easier circulation which paper-money and credit produced, individuals are better enabled

to pay the public burdens imposed upon them. If taxes were paid in kind, as is still the case in poor and uncultivated countries, paper-money would be of less advantage to individuals or to the Public. But as the exchequer must have money from the people, and as it receives with equal facility paper-money and specie, the increase of the one, in a financial view, is equally useful as a proportionable addition to the other.

In a country where taxes are laid upon articles of consumption, and where the interest of the national incumbrances is paid chiefly to the natives, the public debt itself contributes to the increase of the revenue. This seeming paradox, it is not difficult to account for. In Britain, for example, every individual who consumes his income, must pay, in taxes to the State, about one-fifth part of what he expends. If, therefore, there is paid to the natives of this country eight millions *per annum*, as the interest of their share of the national debt, a fifth part of that sum, or one million six hundred thousand pounds, will be repaid by those creditors in taxes to the very government from which it is received. This circumstance greatly contributes to render our national incumbrances much less burthenfome than otherwise they would be. A new debt thus produces a new source of revenue, at least in proportion as the annual interest of such a debt is paid to the natives of the kingdom.

Though Great Britain, France, and Spain cannot boast, like the ancient Romans, of contiguous provinces subject to their yoke, yet at the same time they enjoy distant colonies and possessions, which, in many respects, are equally beneficial. The surplus of the products of these possessions, after maintaining their inhabitants, it is well known, centre in the capital. The commerce carried on between the mother-country and the colonies, furnishes income and employment to many individuals in the former, who are thus better enabled to pay the burdens to which they are subject. The wealthiest colonists are in general fond of residing at the seat of government, and contribute, by the taxes levied on their consumption, to increase the income of the State; and in some cases, such colonies pay no inconsiderable sum (after supporting their own establishments) into the coffers of their sovereign.

Not

Not only have means been invented to increase the wealth, the industry, and the resources of nations in modern times, but better modes have also been devised for raising public revenues.

The ancient Romans shewed no mercy to the nations they conquered. No sooner were the natives completely disarmed, and a little inured to the yoke, than they found how fatal it was to be subject to distant rulers, ignorant of their situation, and careless of their complaints. Provided a revenue was raised, they were little anxious about the means by which it was effected: but tyranny defeats its own object; and those countries are uniformly the most productive of revenue, where there is the least oppression, and where the greatest attention is paid to the happiness and prosperity of the people.

It is not proposed to give any particular account of the Roman system of taxation, as it is a subject which belongs more properly to the Roman, than to the British history, and would require a performance of no contemptible size to elucidate. It is sufficient for our present purpose to remark, that the taxes paid by Britain, and the other provinces of the empire, were partly levied in kind, and partly in money: that those who paid taxes in kind, were obliged to furnish about a tenth part of the produce of their lands, and to carry the quantity they were rated at, to any distance however great, according to the supposed necessities of the State, or to the caprice of those who were in power: that so heavy a duty was laid upon cattle (in which Britain particularly abounded), that, joined to other grievances, it was the occasion of a very dangerous revolt, which was not extinguished but with the greatest difficulty: that heavy customs were paid upon goods both imported and exported: that the proprietors of mines were obliged to pay a certain share of their profits, for the benefit of the State: that a duty was laid upon commodities sold by auction, or in the public market, above a certain value: that capitation taxes were rigorously executed; to which might be added a variety of other imposts on legacies, slaves, houses, pillars, hearths, air, artists, animals, and other articles too tedious to mention³: "Nay, such, it was said, is the exquisite tyranny, and

³ See Henry's History of Great Britain, vol. i. p. 237. Campbell's Political Survey, Book iv. chap. 2. Whitaker's History of Manchester, vol. i. p. 212.

HISTORY OF THE PUBLIC REVENUE

“ insatiable avarice of the Romans, that they extort taxes even from the “ dead * ;” alluding to a duty upon the body of the deceased, before it was suffered to be buried.

At first, the income of the province of Britain did not pay the whole expence of the establishment⁵; but it came at length to be so considerable, as to furnish the Imperial treasury with some valuable remittances. It is supposed by a modern historian, who founds his calculations upon the authority of Lipsius, that the whole revenue could not be less than two millions of pounds sterling⁶. Our information, however, as to the finances of the Roman empire in general, and in particular with regard to the specific sum drawn from each different province, is too scanty and defective to furnish us with the materials necessary to form any exact computation.

C H A P. III.

Of the Revenue of England, during the government of the Saxons.

FROM the departure of the Romans, to the invasion of England by William of Normandy, comprizes a period of about six hundred and twenty years; an Æra distinguished above all others in the English, and perhaps in any other history, for perpetual wars, ravages, and bloodshed.

On the final retreat of the Romans, the northern parts of England were laid waste by the desultory, but destructive incursions of the Scots and Picts. Upon their repulsion, a desperate and fatal dispute arose, between the original natives of the country, and the Saxons, their auxiliaries. The latter had no sooner secured the most fertile provinces of

* Xiphil. ex Dione Nicolo, in Nerone.

⁵ Appian. in Pref. p. 3.

⁶ Henry's History, vol. i. p. 238. But Campbell says, that it is impossible at present, to form any probable guess, of the Roman income from this island. Political Survey, vol. ii. p. 493, note 9.

the island, than the little kingdoms into which they were divided, began to contend with each other, for the sole possession and intire government of the country. This important dispute was no sooner brought to a conclusion, than the Saxons were attacked by a dangerous enemy, who harassed their coasts with the most destructive inroads, and, after much slaughter, compelled them to swear allegiance to the sovereigns of Denmark. At last, William of Normandy, boldly determined to attempt another revolution, and actually secured for himself and his posterity, the government of a country, thus stained with the blood of so many conquerors, who were successively vanquished in their turn.

Little or no advantage could arise from a review of the reigns, or an account of the revenues, of the innumerable multitude of monarchs, who, in a greater or less degree, wielded the sceptre of England during the *Æra* above mentioned. It will be sufficient to give a general sketch of the resources from which their income arose, without entering into minute and unimportant details.

The demesnes of the Anglo-Saxon monarchs were very great: which is a circumstance not difficult to be accounted for. The kingdoms of the Heptarchy were founded by Chieftains, who commanded troops attached to them by the ties of consanguinity, who were born with an hereditary regard for the family they represented, or were led to join in the incursion from the high idea they entertained of their courage, character, and good conduct. In other words, they were the heads of clans or little tribes, such as now exist among the Tartars, and some vestiges of which still remain in the mountains of Scotland. Such commanders, it is probable, would claim a considerable share of the territory that was conquered; and as, besides the plausibility of their original pretensions, it was discovered in the course of the war, that many advantages resulted from subordination on the one hand, and pre-eminence on the other, it was natural to suppose that a considerable portion of the new acquisition would be given to the leader, not only to preserve so useful a pre-eminence, but also to support the dignity of his office, and to reward his valour in the field. Thus each petty monarch of the Heptarchy came to be possessed of a landed estate of great value and extent; and when all the domains of these different kingdoms, united

to enrich one sovereign, the whole must have yielded a very considerable revenue.

The power of a monarch to determine questions litigated among his subjects, is one of the first prerogatives with which he is entrusted. Employed in distributing justice among the people, in process of time he is accounted the preserver and guardian of the public peace, and gradually becomes intitled to a share of the fines, imposed upon those, who disturb the quiet and good order of his government. Among the Saxons and other northern nations, criminals of every description, were only subject to pecuniary punishments, in proportion to the supposed atrociousness of their offences: nay, 30,000 thrimfas were supposed to be a sufficient atonement for the unpremeditated murder of a monarch, of which 15,000 were paid to his kindred, and 15,000 went into the public stock, or enriched his successor¹. Among a rude and licentious people, such as the Saxons, it is probable that crimes of every dye and denomination were not unfrequent; and, as a great proportion of the mulcts imposed on the offenders belonged to the king, it must have added not a little to his income.

By the original constitution of the Anglo-Saxon government, there were three important duties, commonly known by the name of the *Trinoda Neccessitas*, to which every proprietor of land was subject. At first, they were exacted in kind, and every individual was obliged to appear in person, when legally called upon, for the purpose of repelling the enemy, of constructing fortresses for the public defence, or repairing the bridges necessary for the internal commerce of the country. Such services, both for the advantage of the State, and the convenience of its more opulent and industrious members, were gradually converted into money; and hence arose the taxes known under the name of *Heregeld*, *Burg-bote* and *Brig-bote*, which it appears were occasionally levied by the Saxon monarchs².

¹ Bishop Fleetwood (Chron. prec. p. 29.) supposes 30,000 thrimfas to be equal to 150 Saxon pounds of silver. Hume (Append. vol. i. p. 219.) converts this fine into 1300l. of our money. But another historian calculates it only at £. 351 : 11 : 3. Henry's History of Great Britain, vol. ii. p. 511. Rapin remarks, that *wilful murder* was punished, not by a fine, but with death.

² The word *Bote*, in the Saxon language, signifies to repair; Rapin's History, vol. i. p. 119, note 3.

But

But the ordinary revenues of the crown, and the personal services of the people, were not adequate to the defence of the country, against the incursions of the Danes. They naturally began their depredations in the weakest parts of the kingdom, where they flattered themselves with the greatest booty, or where they were the least expected; and as their progress was marked with every species of devastation and horror, it was found necessary, when the kingdom was unable or unprepared to oppose them, to purchase their departure almost on any terms. In order to raise the money wanted for that purpose, each hide of land³ (of which it is said there were 243,600 during the Saxon government) was made subject to a tax of one shilling or more, according to the peculiar exigencies of the times. This imposition, which was called Danegeld, or Dane-money, was first raised by Ethelred, *anno* 991, and enabled him to purchase an ignominious truce from the Danes, for the sum of £. 10,000, equal to about £. 300,000 of our modern money. *Anno* 994, a similar agreement was made at the price of £. 16,000⁴. But such bribes only served to expose the miserable Saxons to fresh insults, and greater extortion. For gratifying the avarice increased the hopes, and swelled the demands of the invaders⁵; and, on the whole, these events furnish an useful lesson to other nations, not to trust for their safety and protection, to the wealth they are possessed of, but rather to depend on the vigour of their councils, and their valour in the field.

³ A hide of land is by some authors calculated to be as much as one plough can manage in a year. Bede fixes it at the quantity necessary to maintain a family. Some are so particular as to say that it contained one hundred acres; others again assert, that the number of acres was uncertain. This tax was sometimes called Hidagium. See Mort. Hist. of England, vol. i. p. 93. Brady (Hist. of England, vol. i. p. 270, note) says, that there were about 274,950 hides of land in England. See also Lytt. History of Henry II. vol. iii. p. 82.

⁴ See Brady's History, vol. i. p. 123.

⁵ The tribute paid to the Danes *anno* 1002, was £. 24,000; *anno* 1007, £. 36,000; *anno* 1012, £. 48,000. The last tribute of this kind raised for the purpose of bribing the Danes, was *anno* 1018, when Canute exacted the sum of £. 72,000 from the kingdom in general, and about £. 11,000 from the city of London besides, with a view of rewarding his Danish followers, and of inducing them to leave England, which, without some pecuniary recompense, would not easily have been effected. Brady's Hist. of England, vol. i. p. 123.

At first, this tax was laid on solely to bribe the Danes to desist from their depredations; but afterwards, under the pretence of making preparations to prevent their inroads, it became an annual branch of the revenue, and was levied by the successors of Ethelred, until Edward the Confessor, *anno* 1051, in order to render himself popular, not only abolished it, but restored to the several proprietors from whom it had been collected, as much of the produce of the tax as remained in the exchequer⁶. It will be seen, in a future period of the history of our revenue, that this odious and oppressive burden was revived by William the Norman; a circumstance which greatly contributed to render him obnoxious to the English.

‘It is impossible to form any accurate calculation of the income that would arise from these and other sources of revenue’, which the king of England enjoyed from the landing of the Saxons, to the destruction of the Heptarchy, and from thence to the Norman Conquest. It is computed that the tax called Danegeld, at the rate of a shilling for each hide of land; raised 12,180 Saxon pounds, equal in point of real value to £. 360,000 of our modern money; and consequently the tax laid on by Canute *anno* 1018, amounting to 83,000 Saxon pounds, was equal to a modern land tax of two millions and a half. It was found, however, too great a burden for the country to bear; and Danegeld, until the reign of William the Norman, never afterwards exceeded four shillings *per* hide; but whatever was the income of the Saxon monarchs (when they possessed abilities adequate to their situation), their revenue amply furnished them with the means of being respected both at home and abroad, and enabled a prince possessed of Alfred’s genius and capacity, to rival the fame, and to share in the immortality, of the greatest heroes and legislators of antiquity⁸.

CHAP.

⁶ See Webb’s account of Danegeld. Madox Excheq. chap. xvii. p. 1. Mort. Hist. of England, vol. i. p. 118.

⁷ It is supposed that the Saxon monarchs exacted some taxes of a feudal nature, particularly *reliefs*, then known under the name of *heriots*. It is also probable, that some customs were paid on merchandise, and some profit drawn from vacant benefices.

⁸ We are told that Alfred divided his revenue into two parts: he reserved one part for himself, the other he gave to the poor. His own share was thrown into three divisions, which he expended, in maintaining his household, in paying his architects, and
other

C H A P. IV.

General View of the ancient Revenue of the Crown of England.

UNDER every great political system of government there are four principal sources of public revenue. The first is, the income derived from property vested in the public; the second, the emoluments of certain lucrative prerogatives annexed to the sovereignty; the third, voluntary contributions from the people; the fourth, taxes or imposts, not spontaneously given, but legally exacted. From one or other of these great sources all public revenue must arise. Without entering into any particular discussion of the principles on which they are respectively founded, or enquiring where they are peculiarly productive, or which of them are the least burthensome to a nation, the sole intent of the present chapter is to give a general view of the sources from which the ancient revenue of the Crown of England was derived; including also the first dawning of our present system of taxation.

I. Property vested in the Sovereign.

In the preceding chapter it was observed, that the royal domains of the Saxon monarchs were very considerable. It is said, that the crown was possessed of 1422 manors, besides other lands and quit rents, in the time of Edward the Confessor; and great additions must have arisen

1. Crown lands.

other curious workmen, and in pensions to strangers united to his court, for the instruction of his subjects. The portion of his revenue appropriated for charitable uses, was divided into four parts. The first was assigned for the relief of the poor in general; the second, for the maintenance of the monasteries he had founded; the third, for the subsistence of the professors and scholars at Oxford; the fourth, for poor monks, whether English or foreigners. Hearne's Life of Alfred, p. 204.

Such as wish to be more fully informed with regard to the revenue of England under the Saxon government, may consult Henry's History of Great Britain, vol. ii. p. 258. Campbell's Political Survey, vol. ii. p. 499. and Stuart's Historical Dissertation on the English Constitution, p. 105. 137. and 142.

D

from

from the confiscated estates of those who supported Harold, or who were afterwards driven into rebellion by the tyranny of the conqueror.

But whatever might be the original value and extent of the landed property of the crown, and however great the accessions which it might receive, and though the strictest laws were enacted to prevent its alienation, and to check encroachments, yet the royal domains of England have shared the same fate with those of other countries, and hardly a vestige now remains of the extensive property which William I. and his successors were possessed of. Nor is this to be wondered at; for when great estates are with difficulty kept for any length of time in the families of private individuals, it cannot be expected, that property much more valuable and extensive can be long preserved from the artful rapacity of needy favourites, the natural profusion of courts, or the negligence and treachery of their officers.

2. Forests.

The royal forests yielded no direct or certain revenue to the crown: an income could not be expected from waste lands set apart for deer and other animals of the chase, and destined not for the king's profit, but for his recreation and amusement. However, as many laws were passed, and particular courts and officers were appointed, for preserving the royal game, and as those who trespassed upon the royal forests, were liable to heavy fines and amerciaments, profuse and needy monarchs were thence enabled to raise considerable sums from such of their subjects as lived in their neighbourhood¹. This mode of raising money was often complained of as oppressive. It fell into disuse about the time of Charles I. and indeed was totally incompatible with the nature and principles of a free constitution.

3. Mines.

The only remaining species of property which the crown of England was intitled to, was a right to all the mines of gold and silver discovered in the kingdom: nay, it was contended, that if the smallest quantity whatever of these precious metals was discovered in a mine, it instantly became the property of the monarch. This harsh and im-

¹ The king possessed sixty-eight forests, thirteen chases, and seven hundred and eighty-one parks in different parts of England, which, considering the extreme passion of the English and Normans for hunting, were so many snares laid for the people, by which they were allured into trespasses, and brought within the reach of arbitrary and rigorous laws. Hume, Appendix ii. vol. 2. p. 136.

politic idea, was not completely effaced, until it was enacted soon after the Revolution, that the crown should only be intitled to purchase the ore at a certain fixed price²; and even that provision was of too unpopular a nature to be carried into practice.

2. Lucrative Prerogatives.

The prerogatives of a sovereign are certain rights annexed to the royal dignity with which he is invested³. They are privileges entrusted to him for the common benefit of the public; and, as they are properly confined to the sovereign, and ought not to be shared by any of his subjects, they are sometimes attended with lucrative advantages, and have yielded, when at their greatest height, no inconsiderable revenue.

The king, in particular, by the laws of England, was accounted the sovereign lord, and original proprietor of all the lands in his kingdom. It was supposed that every portion of the soil was at first granted by the crown, and was holden of it, subject to military services. "The intention of this fiction was, to enable the king, by his royal prerogative, to put the kingdom in a state of defence, whenever it might be necessary; and every holder of land was thus obliged to maintain the king's title, and to defend his territories with equal vigour and fealty, as if he had received his estate upon that express condition⁴." But this system, originally intended for the public protection and security, was afterwards made a pretext to introduce a plan of tyranny and oppression hardly to be equalled in history.

RIGHT OF
SEIGNIORY.

For, in the first place, the proprietor of every estate in the kingdom, in proportion to its extent, was burdened with military services; for which, in process of time, a certain sum of money was taken, by way of fine or commutation, called *escuage*⁵. 2. He was also subject to

Escuage.

Quit rents.

² 1 Will. and M. sess. i. c. 30. 5 Will. and M. c. 6.

³ Black. Comm. on the Laws of England, book i. chap. vii. vol. i. p. 239, 7th edit.

⁴ Ibid. vol. ii. p. 51. 53, &c.

⁵ Escuage is derived from *escu* (French) a shield; and *escuage* was a certain sum of money paid in lieu of the service of the shield.

Aids.

Relief.

Wardship.

Marriage.

Fine of alienation.

certain annual payments or *rents* in money, laid on as a mark of the lord's pre-eminence, and in order to keep the vassal in perpetual remembrance of his feudal subordination. 3. He was obliged, under the name of *aids*, to give pecuniary assistance when necessary, to ransom the king's person if taken prisoner, to furnish a portion to his daughter, and to contribute to the expence incurred on making his eldest son a knight. 4. It was supposed, upon the death of the feudal possessor, that the estate ought to revert into the hands of the superior lord, and under that pretence it was contended, that the new vassal ought to make him a present of a suit of armour (which, in ancient times, was reckoned peculiarly valuable), or to pay a fine under the name of *relief*; to which, in process of time, an addition was made called *primer seisin*, intitling the king to demand from the heir of any of his tenants *in capite*, who died seized of a knight's-fee, one year's profit, upon his being put in possession of the estate. 5. If the heir was under age at the death of his predecessor, the king was intrusted with the *wardship*, or the custody both of his person and estate, and enjoyed the income which it yielded, till he arrived at the age of twenty-one years, and consequently was able to perform the services stipulated for his feud. If the heir was a female, she came of age at sixteen years, being then supposed capable of marrying a husband who might act in her stead. 6. If the possessors of feudal estates had the power of entering into matrimonial connections during their minority, according to their own fancy and humour, they might introduce into the joint possession of the *fief*, an enemy of the lord; perhaps one descended from a family with whom he had an hereditary variance⁶. Upon this ground, the feudal superior was invested with some degree of control over the ward's marriage, and at length the right of selling the ward in marriage, or of receiving the price or value of the match, was confirmed by an express act of the legislature. 7. It was asserted by the feudal lawyers, that when the king gave an estate to be holden of himself and his successors, it was a gift to a chosen and selected individual, which no other person ought to be put in possession of, without his privity and consent; and that any attempt to infringe upon this essential stipulation, by alienating the lands to a stranger, ought to be

⁶ Dalrymple on Feud. Prop. chap. ii. sect. 2. 4th edit. p. 38.

attended with the forfeiture of the grant⁷. This right was exercised with great severity, during several reigns in the earlier part of the English history, until at last it was determined by stat. Edward III. c. 12. that one third of the yearly value of the lands should be paid by way of *fine*, for a licence of *alienation*; but if the tenants presumed to aliene without a licence, that they should be liable to a full year's rent of the estate. 8. *Escheat* was the last fruit or incident resulting from the feudal system. It was a species of confiscation⁸, by which the feud reverted to the sovereign, either from the delinquency of the vassal (who held it under the implied condition that he should not prove guilty of any act of felony or treason), or in consequence of his dying without an heir either fit to perform the stipulated services, or intitled by the original grant to succeed to the feud. Escheat.

Such was the heavy and complicated system of personal slavery, and of financial oppression, to which this country was subject, from the invasion of William the Norman, until the restoration of the regal government in the year 1660. Fortunately, by 12 Car. 2. chap. 24. the whole fabric was demolished at one blow, and it is now a matter of just astonishment how a nation who gloried in its freedom, and boasted of the mildness and benignity of its laws, could suffer itself to be loaded for so many centuries with a burden, which, notwithstanding some partial mitigations, seems to have been almost insupportable. This, among many other examples which might be produced from history, clearly evinces how strongly men are rivetted to ancient usages, and how difficult it is to bring about any material innovation, however salutary it may prove.

But these were not the only advantages attending the right of feigniory: for, as lord paramount of the kingdom, the sovereign claimed all *bona vacantia*, or goods the property of which no other person had any legal pretension. Upon this principle chiefly, the king of England was intitled, 1. To all *treasures* of money, gold, silver, plate, or bullion, found hidden in the earth. 2. To *waifs*, or goods stolen and waived, or thrown away by the thief in his flight, for fear of being

Treasure-trove.
Waifs.

⁷ Bacon's Works, folio edit. vol. iii. p. 551.

⁸ Lawyers make a distinction between escheats and forfeitures. See Wright on Tenures, p. 117. note x.

apprehended,

- apprehended, provided the party injured did not exert himself in the pursuit or conviction of the offender. 3. To *estrays*, or valuable animals found wandering without an owner, which, it is said, belonged to the king, not only as *bona vacantia*, but also to recompense the damage done by them to the soil, of which he is the general proprietor.
- Royal fish. 4. To certain fish called royal on account of their size and value, if they were either thrown ashore upon the coast, or caught so near it, as to require little dexterity to kill them. 5. To *goods wrecked*, if no proof could be made within a certain space of time who were the legal proprietors; a privilege perhaps given to the sovereign with a view of inciting him to check the inhuman practices too common upon such occasions, when such goods are suffered to be pillaged by the inhabitants of the coast. 6. To the annual profits arising from the estates of idiots, or natural fools, after defraying the expence of their maintenance. For an idiot was accounted nobody by the law: his effects, therefore, during his life, were considered as a species of *bona vacantia*, and consequently belonged to the sovereign; but after his death, they again reverted to their natural owners. Lastly, To the personal, as well as landed property of every individual, to whose inheritance no just and legal claim could be produced.
- Goods wrecked.
- Custody of idiots.
- Goods uninherited.

However trifling any advantages arising from such rights may appear in modern times, yet anciently they were accounted of considerable value and importance. Nor was it reckoned at all beneath the dignity of the crown to exercise any of its rights, even the most obnoxious, provided it yielded profit to the exchequer.

The remaining prerogatives of the crown attended with any lucrative advantages, were either of a military—judicial—political—inquisitorial—commercial, or ecclesiastical nature.

1. Military prerogatives. The right of declaring war, and of making peace, is a very important prerogative, of old vested in the sovereigns of this country. It was originally given to the monarch, in consequence of his having usually acted as the general of the community; and it was supposed, with some degree of justice, that none was so capable of judging when the nation was in a condition to carry on war, or required a peace, as the commander of its forces. This prerogative was attended with some profit. For, in consequence of it, the crown was intitled to a share of the

the plunder taken in war, and it received into its exchequer, such tributes as the enemies of the State were compelled to pay, in order to purchase, either a continuation of peace, or a cessation from hostilities.

The power of distributing justice, either personally, or through the medium of courts instituted for that purpose, was another royal privilege, acquired at an early period of society, and productive of some revenue. As the administrator of the laws, and guardian of the public peace, all fines and pecuniary punishments were appropriated to the use of the sovereign; nay, under the pretence of giving a recompence to the king and his officers for their trouble in administering justice, they were permitted to exact fees in the course of a great variety of legal proceedings, the profits of which were originally intended for the royal maintenance, though since diverted to less useful or essential purposes.

2. Judicial.

The sovereign of England was accounted the sole fountain of honour—of office, and of privilege. It will appear, in the progress of this work, that this prerogative yielded some profit to the exchequer; some monarchs disposing of offices for money; others making a sale of titles and honours; and in general, all of them demanding pecuniary returns for any privileges they bestowed, either on corporate bodies or individuals.

3. Political.

It was imagined, that the king would often find it necessary, with a view of examining into the real state and circumstances of the country, to make a personal progress throughout his dominions; and, as the removal of the court would occasion an unusual demand, at the places to which it went, for every species of provisions, it was thought requisite to give the crown a right of purchasing necessaries for the maintenance of the royal household, at an appraised valuation, in preference to all other persons, and even to force the sale or the hire of any thing peculiarly wanted, without the owner's consent⁹. This prerogative, which obtained the names of *purveyance* and *pre-emption*, was afterwards extended to every spot where the royal family resided. But the powers vested in the purveyors, or officers appointed for that purpose, being greatly abused, and indeed becoming every day less requisite,

4. Inquisitorial.

⁹ Hume's History, vol. v. p. 365. 490. 547.

in consequence of the great increase of cultivation and improvement, and of the abundance which necessarily followed, the whole right was abolished, at the same time with the harsh and obnoxious system of military tenures; and, by 12 Car. II. chap. 24. the hereditary excise, and a duty on wine licences, were settled on the crown in their stead.

5. Commercial.

The king was also accounted the arbiter of commerce. In that capacity, he had the direction and government of the internal trade of the country. He alone established public marts; and he might appropriate to his own use, the tolls and other profits arising from them. He had the entire regulation of the weights and measures of the kingdom, a right that was attended with some profit, until by statute 11 and 12 W. III. chap. 20. the office of aulnager (who received certain fees for measuring cloths for sale) was taken away; and, as money is the medium of commerce, it was in consequence of the same prerogative, that the crown enjoyed the right of coining money, and the gain attending it¹⁰. Nor were these the only advantages resulting from this right; for, in virtue of acting as the arbiter of commerce, the king claimed the lucrative privilege of granting patents and monopolies, which, in the reigns of the first monarchs of the Stuart race, was particularly abused: nay, the post-office is properly a mercantile monopoly, which is still retained for the benefit of the public, yielding no inconsiderable revenue.

6. Ecclesiastical prerogatives.

Since the reign of Henry VIII. the monarchs of England have been accounted the head of their people, not only in civil, but in ecclesiastical matters; and, even before the Reformation, they enjoyed some privileges and revenues from the church, not, however, attended with much real profit, as they were held under the implied trust of being alone made use of for the advantage of the clergy. Without examining the propriety of that restriction, it is sufficient to remark, that either

¹⁰ The profit of coinage was five shillings in every pound weight of gold; out of which a shilling, and sometimes eighteen pence, was given to the master of the Mint, for his work and trouble; and a shilling for every pound weight of silver, of which the king reserved only a fourth part to himself. Afterwards, in the reign of Henry V. the seignorage on silver was raised to fifteen pence. Sir M. Hales's Sher. Accounts, p. 6.

as head of the church, or before the Reformation, as possessing royal authority, the King claimed a right, 1. To the profits of all archbishoprics and bishoprics during a vacancy. 2. To a corody, or a right of compelling any of his bishops to maintain one of his chaplains, or to give him a benefice. 3. To the tythes of all extra-parochial districts; and lastly, to the first fruits and tenths of the livings of the clergy, which they originally paid to the pope; but which, upon the destruction of his authority in England, were demanded by the King, as his successor in clerical supremacy.

Such were the lucrative prerogatives annexed to the sovereignty of England, of which it was thought necessary to give this brief account, principally extracted from the works of that learned commentator on the laws of England, Sir William Blackstone, who had collected almost every thing that either has been, or could be said upon the subject. The author flatters himself, that from this short statement and explanation of the feudal terms, any obscurity in the following chapters will be prevented. With regard to these prerogatives, it may in general be remarked, that they were of too harsh and individious a nature, to be productive of much income, without occasioning the loudest complaints: and hence it was found necessary, by other means, to provide a revenue.

III. Voluntary Contributions.

When the income of the public is found inadequate to the national expences, it is natural for a Monarch possessed of any degree of popularity, in the first place to trust to the voluntary contributions of his subjects; and in the financial history of England, it will be found, that various benevolences or free gifts, were at different times paid by the people. But supplies of so precarious and uncertain a nature could not be much depended on; and it was necessary at last to have recourse to taxes or contributions, exacted by the government of the country, without particularly consulting the inclinations of the people, in their individual capacity; a system of revenue, which, though, when abused, it has given birth to much discontent, and indeed has occasioned many revolutions, yet has hardly ever been accompanied either with much

disguist, or with great oppression, where this rule has been invariably adhered to, *never to exact from any individual a sum of money, which, consistently with his circumstances and the situation of the public, he ought not, on every principle of justice, SPONTANEOUSLY to have given.*

IV. Taxes.

Taxes are the last legal expedient for procuring a public revenue, to which a financier can apply. They were not unknown in England prior to the Revolution; but as they bore no resemblance, either in respect to their weight, or the variety and number of their branches, to the immense farrago of heavy burdens with which we are now loaded, it is hoped that the following general view of this part of the subject will suffice.

1. Taxes in kind.

The scarcity of money in England, as well as in other kingdoms of Europe, prior to the discovery of America, rendered it occasionally necessary to levy taxes in kind. Of this, some instances occur in the English history, particularly in the time of Edward III. who, without either money or some valuable commodity, could not have carried on his bold attempt of wresting the crown of France from the house of Valois. In the twelfth year of his reign, *anno* 1338, he procured the enormous grant of half the wool in England, amounting to 20,000 packs, which was then worth, according to some authors, 40*l.* a pack, and consequently must have brought in the immense sum of 800,000*l.* Other historians, however, deny that wool was at that time so valuable.

2. Personal Taxes.

Poll taxes, by which a man is compelled to pay for his personal existence, have always been accounted peculiarly hateful and oppressive. It is well known, that an attempt to levy such a tax in the reign of Richard II. occasioned an insurrection under the command of Tyler, Straw, and others, which had nearly ended in a revolution²⁴; and almost in every instance, when attempted in England, they have either proved obnoxious or unproductive. One exception, however, it is necessary to take notice of.

3. Taxes on the Jews.

From the period of the Norman invasion, to the establishment of the Hanseatic league, the commerce of the northern parts of Europe

²⁴ Stevens's History of Taxes, p. 118.

was principally carried on by the Jews; and as, in addition to the profits of trade, they enjoyed the more lucrative gains of usury, it is easy to perceive that they must in time have engrossed a great proportion of the wealth of the country. But such as were settled in England, did not long escape the fatal notice of the sovereign and his ministers; and as in consequence of the method in which their riches were acquired, and the peculiarity of their dress and manners, joined to religious prejudices, they were detested by the people at large, the king met with no opposition in oppressing and pillaging them, in any way he thought proper. A court denominated the Exchequer of the Jews, was instituted for the sole purpose of managing the revenue of Judaism, as it was called, which remained unabolished until the year 1290, when the Jews were expelled from England by Edward I¹².

The species of house tax, called *Hearthmoney*, is among the most ancient in the kingdom. It is even mentioned in *Doomsday Book*, under the name of *Fumage*, or *Fuage*, and consequently must have existed before the Conquest¹³. By Stat. 13 and 14 Car. II. ch. 10. an hereditary revenue of two shillings for every hearth, in all houses paying to church and poor, was granted to the crown for ever. But as the duty could not be regularly collected, unless the revenue officers were empowered to view the inside of every house, it was thought contrary to the principles on which the English government is founded; and upon that ground, by 1 W. & M. sess. 1. ch. 10. it was utterly taken away, in order (it is said in the preamble of the bill) “to erect a lasting monument of their Majesties goodness, in every house in the kingdom.”

But however necessary it might be, in consequence of the politics of the times, to enact so popular a law, yet the real justice and propriety of such an alteration may now be questioned. The tax might surely be levied without much hardship to the poor, or any great encroachment upon the nice feelings of the wealthy; and as the tax upon coals, carried by water, is a great discouragement to the manufactures and agriculture of the country, checks the increase of our naval strength, and is in every respect absurd and unequal, it is hoped that the time will come

¹² See Maddox's Hist. Excheq. c. 7. and Tovey's *Anglia Judaica*.

¹³ Du Cange, *voc* Focagium. — Spelman, *voc* Fuage.

when so impolitic a duty will be abrogated, and the more equal and salutary tax of Hearth-money established in its room.

Before this part of the subject is concluded, it may be proper to remark, that for some years posterior to the Conquest, there existed in England, a particular kind of Hearth-money, called *Moneyage*, or Mint-age money, originally levied in Normandy, and thence imported into this island. It was a tax of a shilling for each Hearth, payable every three years, by way of bounty or recompence to the king, not to alter or debase the coin, which he was entitled to do by his prerogative. This branch of the revenue ²⁴ was abolished by the charter of Henry I. and it was so particularly obnoxious to the English nation, on account of its Normanic original, and its repugnance to the laws of the Confeſſor, that none of that monarch's ſucceſſors attempted to revive it.

5. Land tax.

The origin of land taxes, in this country, may be traced to the duty called Eſcuage, or Scutage, which has been already taken notice of, as reſulting from the feudal ſyſtem. At firſt, it was levied on the proprietors of land by the royal authority; but in conſequence of this right being abuſed, it was at laſt declared by Magna Charta, and afterwards repeatedly confirmed by acts of parliament, that no Scutage ſhould be impoſed without the conſent of the great men and commons, in parliament aſſembled. This tax was ſometimes exacted, under the name of Hydage, or Carrucage. But taxes on land came, at laſt, to be included under the general name of ſubſidies, and of monthly aſſeſſments.

6. Taxes on perſonal property.

Nor was perſonal property exempted from incidental burdens. It will be ſeen, in the courſe of this work, that a tenth or fifteenth part of the moveables, or perſonal eſtates of the people, was occasionally given to the king for carrying on his government. Tenths were firſt granted in the reign of Henry II. to enable him to defray the expences of a pious expedition he had projected, in order to check the progreſs of Saladine, who threatened to drive the Chriſtians from their poſſeſſions in Aſia ²⁵; and hence it obtained the name of the Saladine Tythe. In the eighth year of the reign of Edward III. this tax was brought to a certainty. A tenth and fifteenth was then raiſed, to the ſum of 29,000l.

²⁴ Hume, Appen'd. II. p. 132. Mort. vol. i. p. 206.

²⁵ Hume, vol. i. p. 458. Black. Comm. vol. i. p. 308.

equal to 58,000*l.* of our present money¹⁶; and, ever after, it was assessed according to that standard over the whole kingdom, without any alteration in the proportion of each district.

A subsidy was properly neither a tax upon personal or landed property, but upon *income*. Every description of persons, in proportion to their reputed estates, paid after the nominal rate of four shillings in the pound for lands, and two shillings and sixpence for goods, whilst aliens paid in a double proportion. This tax was originally introduced in the reign of Richard II. and was calculated at so low a valuation, that one lay subsidy, at the above rates, did not exceed 70,000*l.* which, in the shape of a modern land tax, would now produce two millions. But it is to be remarked, that the estates of the clergy were not included in this sum; for their subsidies (until the 15th of Charles II.) were granted, not by parliament, but by their own convocation; and a subsidy from the church, at the rate of four shillings in the pound, produced about 20,000*l.* The last tax, by this mode of subsidy, was levied *anno* 1670; since which period, it was laid aside, and what is now called the Land Tax, though it also imposes a burden upon personal property, was established in its room.

The customs were an old branch of the royal revenue. It is said, that they were, at first, small sums paid by the merchants for the use of the king's warehouses, weights, measures¹⁷, &c. Afterwards, a tax, known under the name of *Prifage*, took place, which was in fact nothing but a branch of purveyance; in virtue of which, the king's officers seized two tuns of wine from every ship belonging to England, importing twenty tuns, or more, in order to supply the king's household with that valuable article; and for which they paid at the moderate rate of only twenty shillings *per* tun. Merchant strangers were exempted from the tax of *Prifage*, but in lieu thereof, paid a duty of two shillings for every tun they imported, which was called *Butlerage*, because it was paid to the king's butler. The subsidy called *Tunnage* and *Poundage*, or a tax upon every *tun* of wine, and every *pound* of merchandise, imported into this country, first took place in the reign of Edward I. But the history of that important branch of the revenue,

¹⁶ Hume, vol. iii. p. 178, Note Z, vol. vi. p. 193.

¹⁷ Gibb. Excheq. p. 214. Hume, vol. ii. p. 177.

and

and the income which it produced, will more fully appear, in the farther progress of this work.

9 Excise.

The excise was first established in England by the long parliament, *anno* 1643. It is supposed, that the plan was first adopted, in consequence of its success in the neighbouring commonwealth of Holland. It is not to be wondered at, that so efficacious a mode of raising money, when once it found admittance, should be perpetually increasing. Its present size and magnitude, and the variety of its branches are well known; and, unfortunately, it is more likely to receive some additions, than to suffer any diminution.

Thus it appears, that there is hardly any productive tax to which we are now subject, which may not be traced to a period earlier than the Revolution, though the duties which then existed, were neither so heavy in their amount, nor extended into so many various branches.

The present situation of England, however, in regard to financial burdens, cannot justly be compared with the past, without taking into our consideration, the illegal exactions of the sovereign, and the wealth drawn from this country, by the extortions of the church of Rome.

5: Regal Exactions.

Hume justly remarks, “ That the ancient kings of England, seem to “ have put themselves on the footing of those barbarous eastern princes, “ whom no one durst approach without a present; who sell all their “ good offices; and who intrude themselves into every business, that “ they may have a pretence for extortion.” And it is certain, that if the disgraceful means they adopted to procure money, had rested solely on the authority of historians, instead of remaining in our public records, the standing monuments, and indisputable evidence of their shameful venality, they would have been rejected as incredible. The exactions to which I allude, are known under the names of Oblations—Queen-Gold—Amerciements—Talliaiges—and Farms of Counties; to which might be added, extorted Benevolences, and compulsive Loans, if they required any particular explanation.

²³ Hist. vol. ii. p. 131.

Oblations, or Fines, as they were also called, are described to be 1. Oblations. voluntary proffers of money, or of any other article, or commodity, to procure the favour of the crown, or to deprecate its resentment. It is hardly possible to enumerate the various species of them, which appear upon the ancient rolls of the revenue; but it may not be improper to give a short view of the most singular and important.

1. The Kings of England were, in the first place, accustomed to receive considerable sums of money for granting, or confirming rights and franchises of every kind. A few instances are sufficient to show the general nature of these payments. Robert de Cardinan gave ten marks, that he might have a market at the ancient borough of Lestwithiel¹⁸; the burgesses of York, 200 marks for a confirmation of their liberties: the burgesses of Bedford paid forty marks, to have the same liberties as the burgesses of Oxford: the vintners of Hereford paid forty shillings, to have the king's grant, that a sextercium of wine might be sold for ten pence, in Hereford, for the space of a year¹⁹.

2. A considerable revenue also accrued to the Crown, by the fines which were paid on account of proceedings at law. The same Sovereign who pretended to be the fountain of justice, became too often the source of iniquity and of oppression. Even in the reign of Henry II. who was undoubtedly the best of the Norman Princes, there are instances of money being given to the King by several of his subjects, for stopping or suspending pleas, trials, and judgments, or for expediting them as speedily as possible; for procuring restitution of lands, or chattels, or that they might not be disseised; for obtaining an acquittal of certain crimes, and certain modes of trial, or a discharge from imprisonment; and for insuring the king's protection, or his mediation in their affairs²⁰. Nor was it unusual for a creditor, to offer the sovereign a certain portion of the debt, which he, as guardian of the laws, and the executor of justice, would assist him in recovering²¹. To guard against such shameful abuses, was the object of the famous clause in

¹⁸ 6 Ric. I. Madox, p. 274.

¹⁹ For a variety of other instances; see Madox's Hist. Excheq. ch. 11.

²⁰ Lytt. Hist. vol. iii. p. 261.

²¹ Madox, p. 311. Hume's Hist. vol. ii. p. 132.

Magna Charta: "*Nulli vendemus, nulli negabimus, aut differemus rectum, aut justitiam*."²²

3. A variety of instances might also be produced, of oblations of so miscellaneous a nature, that it is impossible to reduce them under particular heads. Many fines were paid, for leave either to hold or to quit certain offices. The tenants of the crown, who held *in capite*, frequently proffered considerable sums of money, that they might not be compelled to marry, or at least, might be permitted to marry whom they chose. None were suffered to exercise commerce, or industry of any kind, unless they furnished the crown with money. Thus merchandise, in all its various branches, became a fruitful source of revenue. Some instances likewise occur, of what were called, *concurrent fines*, and *counter fines*: The first, when both parties concerned in any matter, fined to obtain the same thing: The last, when their requests to the crown were directly opposite. But it is to be remarked, that though the money was paid by each suitor, yet, that the party who was unsuccessful in the suit, had his money returned to him²³.

4. Nor was there any profit, however small, or any business, however strange, unimportant, or even dishonourable, in which the king would not interfere, when an oblation was proffered. Roger, son of Nicholas, gave twenty lampreys, and twenty shads, for an inquest to find, whether Gilbert, son of Alured, gave to Roger two hundred muttons, to obtain his confirmation for certain lands, or whether Roger took them from him by violence²⁴. The wife of Hugh de Nevile (who was probably a prisoner under close confinement) gave the king two hundred hens, that she might sleep with her husband one night; and not being able to provide them immediately, her husband, and Thomas de Sanford, pledged themselves, that they should be delivered within a limited time²⁵. Peter de Perariis gave twenty marks for leave to salt fishes, as Peter Chevalier used to do. The Abbot of Rucford gave ten marks for leave to erect houses, and place men upon his lands, near

²² Art. 47.

²³ Lytt. Hist. vol. iii. p. 262.

²⁴ Madox, 305.

²⁵ Ditto, p. 326. This singular Oblation was proffered, in the sixth year of the reign of John. Lord Lyttelton, however, properly remarks, that the ludicrous kind of tyranny which the King exercised over his subjects, must rather be imputed to the character of the man, than to the law, or custom of the times. Hist. of Hen. II. vol. iii. p. 263.

Welhang, to secure his wood there from being stolen. Ralf Bardolf was fined five marks, for leave to rise from his infirmity: and to the disgrace of the laws and justice of England in those days, the rich and powerful county of Norfolk thought it necessary to proffer an oblation of forty marks, in order that it might be fairly dealt with: the burgessees of Yarmouth, twenty-five marks, that they might be dealt with according to the king's charters, which they have for their liberties; and several hundreds of Northamptonshire, sixty marks, that they might be heard without impeachment ²⁶.

When an oblation was proffered to the king in money, the Queen-confort at the time was entitled to demand from the party, a certain addition to it, founded on the supposition, that when the king granted any special favour to any of his subjects, or mitigated any burden or penalty to which they were liable, that she had interposed her good offices in behalf of the suitor. This ancient perquisite was called Queen Gold, or *Aurum Reginae*, because the queen received an ounce of gold, for every hundred marks of silver promised to the king ²⁷.

2. Queen-Gold.

The pecuniary punishments imposed by the sovereigns of England, for crimes and trespasses committed by their subjects, formed another lucrative and disgraceful branch of their revenue; and as no limit whatever was put to these amerciaments, until they were fortunately brought within some reasonable bounds by *Magna Charta*, many were obliged to pay great sums of money, and were brought to the brink of ruin, for trivial, and sometimes imaginary offences. Among the various instances which may be found in Madox's History of the Exchequer ²⁸, the following will sufficiently explain the nature of these exactions. The men of Northumberland were amerced, for not cutting off the feet of their dogs ²⁹: Harvey, the clerk, for impleading the abbess of Winton, contrary to the king's command ³⁰: Ralph Fitz-Roger, for saying a thing which he afterwards contradicted ³¹: Stephen de Merelet, *pro sulto responso*. Gilbert de Henley, *pro falso dicto*: Nicholas, son of

3. Amerciaments.

²⁶ Madox, Hist. Excheq. p. 295, 296. These infamous transactions took place in the reigns of John, and of Henry III.

²⁷ Dial. de Scaccario, lib. ii. c. 26. Blackst. Comm. vol. i. p. 219. Lytt. Hist. vol. iii. p. 263. Henry's Hist. vol. iii. p. 351.

²⁸ Chap. 14.

²⁹ Madox, p. 388.

³⁰ Ibid. p. 390.

³¹ Ibid. p. 388.

Liulf, *pro flulto dicto* : Henry, the dean, and many others, *pro flulti-loquio* ³² : The hundred of Boctone, for the default of a certain maid-servant, who was present when a horse struck a man, and killed him ³³. The amerciaments for the forests were particularly oppressive; and by trespasses, defaults, purprestures, and otherwise, a great revenue was annually raised from the districts in their neighbourhood ³⁴.

4. Talliages.

The tenants in the royal demesnes (in which, originally, all the great towns in the kingdom were comprehended) were also subject to certain arbitrary exactions, called *talliages*, or *cuttings*, because a certain proportion of their personal property was under this name taken from them, and appropriated to the use of the sovereign ³⁵. In the king's manors and landed estates, such exactions were totally arbitrary; but in towns, it was a kind of free-gift from all the inhabitants, as a body corporate, who were assembled together by the justices itinerant in the course of their circuits, in order to be made acquainted with the king's necessities, and the sum which he expected. If any town, or borough, however, in consequence of this requisition, did not give, according to the wants or expectations of the crown, the justiciar enquired into their behaviour, and into the manner in which their privileges were made use of, and any plausible pretence was embraced, of issuing out *Quo Warranto's*, and of confiscating the charters they had received ³⁶. Those who held their land in *Frank Almoigne*, or were subject to military services, and to the commutation known by the name of *Escuage*, were exempted from this exaction ³⁷. But in process of time, when the profits of *Escuage* (for reasons which will be afterwards mentioned) were greatly reduced in value and amount; and when it was perceived, that in consequence of the great wealth acquired by those towns which were liable to be talliaged, that they were capable of being made a great and productive source of revenue; it was then that Edward I. saw the propriety of collecting the military and commercial tenants of the crown into one body, and of procuring, by means of such an union, not partial aids, but subsidies from the kingdom in general. The happy effects resulting from this judicious measure are well known. The public revenue was

³² Madox, p. 392.

³³ Ibid. p. 393.

³⁴ Ibid. p. 272.

³⁵ Talliage is derived from the French verb *Tailler*, to cut. See Du Cange Gloss. voce Tallagium.

³⁶ Gilb. Excheq. p. 20. 21. 33. 34. & 192.

³⁷ Lytt. Hist. vol. iii. p. 256.

increased,

increased, and the lower house of parliament thus acquired that weight and consequence in the state, which enabled it to establish the rights and liberties of the people upon the firmest foundations.

But the ancient kings of England, not contented with these exactions, were also accustomed to let the different counties in the kingdom, in farm, to certain officers, called Sheriffs, who, in consideration of sums annually paid to the exchequer, were entrusted with powers, too often attended with the greatest oppression of the people. Such officers would not exercise much caution in their mode of proceeding, when they were accounted "*the deputies of the Lord, of the great Seigneurie of the realm.*" And as the leases which they received were only annual, that circumstance would not tend to diminish the various abuses, which such petty tyrants would naturally be inclined, either to countenance, or to commit, in their respective districts ³⁸.

5. Farms of counties.

5. Papal Exactions.

Whilst the authority of the Pope was acknowledged in this country, England was deservedly accounted one of the richest jewels in the papal crown. Without entering minutely into the various exactions of the Roman pontiffs, which may be found, at full length, in a volume confined to that particular subject ³⁹, it is sufficient for our present purpose to remark, that, during the reign of King John, an annual tribute of 700 marks was paid for England, and 300 for Ireland; and that every house in the kingdom, in which there was twenty penny worth of goods, paid a penny yearly to the Pontiff, or his legate. This tax was levied with such strictness, that it was held to be a *consuetudo quasi apostolica* ⁴⁰. The first fruits, and tenths, of all the spiritual livings

³⁸ Madox. Excheq. p. 223. The particulars of the *proscium committatis*, may be seen in Hales's Sheriffs Accounts, p. 30, 31, 32. The Crown also exacted yearly farms, or rents, from towns, burghs, and gilds. Madox, p. 226.

³⁹ See the Romish *Horfe Leech*, or an impartial account of the intolerable charge of Popery to this nation, by Thomas Staveley, Esq; The first edition was published anno 1664, the second in 1769. Also Egane's Book of Rates, now used in the Sin Custom-house of the Church of Rome, printed Anno 1673.

⁴⁰ Sleiden says, that when Peter's pence was abolished by Henry VIII. it amounted to the sum of 7500*l. per annum*. See Lawfon's Mite into the Treasury, chap. xi. p. 81. If this sum arose from a penny a house, there must have been 1,800,000 houses in England alone, which is hardly to be credited.

in the kingdom were also exacted, and, besides regular taxes, there were a variety of occasional exactions, as “pensions, censures, procurations, suits for provisions, and expeditions of bulls, for archbishoprics and bishoprics, and for delegacies; and the rescripts in causes of contentions and appeals, jurisdictions legatine, dispensations, licences, faculties, grants, relaxations, abolitions, and infinite sorts of bulls, briefs, and instruments of fundry natures, names, and kinds, to the great decay and impoverishment of the kingdom.” It is incredible, what sums of money are supposed to have been extracted out of this kingdom under these pretences; and how much they contributed, to render it difficult for the crown, to raise a revenue adequate to the exigencies of the state.

Conclusion.

Such were the burdens to which the inhabitants of England were formerly subject. It is certain, that they did not exist at once; and that sometimes one mode of exaction prevailed, which, in process of time, was abandoned in favour of another. But, whatever the *laudatores temporis acti* may say, it must be evident to every impartial person, that our ancestors had great reason to be dissatisfied with their political situation, even in the article of taxation; and perhaps the present æra, is, in that, as well as in many other respects, as desirable a period to live in, as any that can be pointed out in the history of this country; our additional weight of taxes being fully compensated, by a more extended commerce, by improvements in every branch of science and of art, and by great accessions to our wealth, our security, and our freedom.

* 25 Henry VIII. cap. 1.

C H A P. V.

Of the Revenue of England under the Government of the Norman Line.

IT is natural at the first glance to imagine, that an insular dominion is peculiarly inaccessible, and easy to be defended; that the expence of a maritime expedition, the hazards of the sea, the difficulty attending the landing of troops, and the risk of famine, joined to the opposition of the natives, would place almost unsurmountable obstacles in the way of an invader; and though, by choosing a happy moment, one attempt might perhaps be prosperous, yet that many ages would clapse, before another opportunity, equally fortunate, could possibly occur. It is singular, however, that Britain has hardly ever been invaded, without having produced an important revolution; and it may not be improper, briefly to state, whence this has proceeded, and what peculiar circumstances contributed to render the Norman invasion successful.

The more secure a nation is, or considers itself to be, the less precaution it will take for its safety and defence. Deriding the idea of invasion, and laughing at the efforts of an enemy, it is unprepared to resist an attack when it actually takes place. If the first difficulties, therefore, are surmounted, and more especially if the invader is fortunate enough to conquer in the first engagement, he afterwards finds no fortress to check his progress, or to obstruct his march to any place of which he wishes to be master. The whole country becomes a scene of tumult, anarchy, and confusion; and every district strives which of them shall manifest the greatest readiness to submit to his yoke.

An invader, qualified for any bold enterprize, on the other hand, is thoroughly apprised of all the difficulties he has to encounter; and is sensible, that his only prospect of success depends upon his power and dexterity to overcome them. He makes, therefore, every necessary preparation—he proceeds upon a settled plan—he cautiously weighs every adverse and untoward circumstance; and never ventures to set
out,

out, without a strong probability in his favour, and a full assurance, if successful, of being amply rewarded.

The being pent up in an island, and that island possessed by an enemy, without any place of refuge, or hopes of escape, is a strong spur to the greatest exertions. An ancient general, who was determined to conquer, placed his army, with a deep river behind them, and informed his troops, that they must either vanquish the foe, or perish in the flood. An enemy, by whom an island is invaded, is uniformly in that desperate predicament; and has no alternative, but either to conquer, or be destroyed.

Peculiar circumstances also contributed to the success of the Duke of Normandy. When he made his attempt, the English nation consisted of a motley mixture of Danes and Saxons, who detested each other, and many of whom had a predilection for the Norman manners, language, and government. Edward the Confessor indulged himself in this attachment to the greatest excess; and his example was followed by all the retainers and servants of the court.

Though Harold possessed personal courage and abilities, yet he was not the legal, hereditary sovereign of the country. The English admired his valour, and they had recently seen all the qualities of a great commander successfully displayed against a formidable army of Norwegians; but they knew, that he sat upon a throne, to which another was entitled. They fought under his banners therefore, as if they contended rather to support their own character, and to defend their own rights, than to secure his crown from the pretensions of a rival. Indeed, if Harold had not been considered as an usurper, they would not have murmured because the Norwegian booty was withheld, nor would they have abandoned his colours, in consequence of that disappointment, or disregarded the orders of their general, when the fate of England depended upon their discipline and obedience.

To crown the whole, Edgar Ætheling, the representative of the Saxon monarchs, and consequently the legitimate sovereign of the country, to whom, after the death of Harold, the English naturally looked up, had neither experience nor abilities calculated to act with vigour in so critical a juncture. He neither knew how to curb the foe, how to conciliate the affections of his subjects, or how to animate troops

dispirited by the overthrow they had received; and being better fitted for the calm scenes of private life, than for the tempest of war or the intrigues of a cabinet, he relied on his insignificance, for at least personal safety; and throwing himself at the feet of the Norman, was one of the first who furnished an example of submission to the Conqueror.

In consequence of these fortunate circumstances, joined to the countenance of the Pope, the assistance of the English clergy, the pretended will and destination of the Confessor, but above all to the prudence of his own conduct, and the strong assurances he gave his new subjects, that every attention would be paid to the preservation of their public liberties, and private rights; William of Normandy, after having vanquished the army of England, and slain its monarch, at the decisive battle of Hastings, was acknowledged the sovereign of the country, and crowned at Westminster, with all the forms usual at such solemnities. His posterity have ever since sat upon the throne of England. But as Henry the Second was likewise descended from the old Saxon line, to whom, in the opinion of the English nation, the crown belonged; and as, in the person of that Prince, the former royal race was said to have been re-established, and a new æra to have been introduced into the English history, the present Chapter is therefore restricted to the reigns of the four first Kings after the Norman invasion.

Revenue of WILLIAM the Conqueror.

It has been much controverted, whether William ought to be accounted the Conqueror of England, in the plain and literal sense of that word; antiquarians having discovered, that *conquestus* may be applied not only to an acquisition by force of arms, but also by purchase, or by donation. They have thence contended, that by the Norman Conquest, ancient historians meant the acquisition of England by the Duke of Normandy, in consequence of the pretended will of the Confessor, and the voluntary submission of the English. It is certain, that William conducted his measures with the greatest art, prudence and dexterity; that he soothed the inhabitants of the country, until they were completely in his power: and, perhaps, he would have trusted them,

them, if he could have depended on their fidelity and attachment. But both parties were jealous of each other, and it is impossible, consistently with historical evidence, to consider the first of the Norman monarchs in any other light, than as a *conqueror who, partly by force, and partly by stratagem, subdued a country, to the government of which he had no just pretension, and a majority of whose inhabitants detested the tyrant they were subject to, and would gladly have thrown off his yoke.*

Among the other means pursued by William I. to secure his acquisition, the following are more particularly connected with the object of this work: namely, the complete establishment of the feudal system—the survey made of the kingdom in general, and in particular, of the value and extent of the royal domains; and the institution of a court of exchequer, after the model of a similar court in Normandy.

1. Establishment of the feudal system.

The enjoyment of landed property, subject to military service, is not an unusual mode of holding an estate. It was customary in ancient, as well as in modern times: it existed in the Roman, as well as other empires. But what distinguished fiefs from every other military system was this, that in the first place, they were not hereditary: and secondly, that in order to remedy this original defect, a thousand subtleties were invented, to secure the advantages of succession to the heirs of the original proprietors. Hence arose wardships, reliefs, and other incidents, or peculiar characteristics of the feudal tenure. Even under the Saxon monarchs, every proprietor of land was bound to assist his sovereign in war, without pay or recompence; and he was also subject to a relief, or acknowledgment to his immediate superior, when he first entered into the possession of his estate. But the various burdens of the feudal system were not completely established until after the conquest. The whole kingdom was then divided into 60,215 knights fees; the holder of each of which, was not only bound to furnish a knight, or armed horseman, for the public defence, but he was likewise liable to a variety of impositions, at first light and easy, and apparently for the benefit of the vassal, but afterwards converted, by the sly dexterity of the feudal lawyers, into a system fraught with every species of oppression.

2. Doomsday Book.

The monarchy of England was originally composed of seven independent kingdoms, the sovereign of each of which, was possessed of a
consider-

considerable domain in all the various districts of the heptarchy: and as, in consequence of that circumstance, the estates belonging to the crown of England, when the heptarchy was destroyed, were not only extensive in themselves, but dispersed and scattered over the whole face of the country, they were exposed to great diminution, and could hardly be preserved entire, unless frequently surveyed and distinguished from the property of individuals. It is certain, that Alfred completed a survey of that nature, which, for a long time, was carefully preserved at Winchester¹. In imitation of so laudable an example, and, as some imagine, with a view of extending his feudal prerogatives over every district in the country, William began, and actually finished a survey, not only of the royal domains, but also of all the landed property of the kingdom, some of the northern counties only excepted². Six years were employed in this laborious undertaking. The fruit of it was, that ancient record, lately engraven at the public expence, called *Dom-boc*, on account of its being the *book* which contained the final *doom*, or sentence, in what manner each estate was to be held, and afterwards Doomsday Book (in allusion to the day of judgment), because no man was spared, but every person was obliged to give in a particular account of his estate³. Its authority was held to be so final and conclusive, that all controversies in regard to tenure were decided by it, even in cases where its evidence proved unfavourable to the crown.

The extent of the royal domains, and the number of districts into which they spread, joined to the great variety of the feudal sources of revenue, rendered it necessary, soon after the Conquest, to erect a new court, called the Court of Exchequer, for the better management of the royal income. Some antiquaries have contended, that an institution of a similar nature existed under the Saxon government; a point which it is unnecessary to enter into, as it is acknowledged, that the

3. Court of
Exchequer.

¹ Hearne's Life of Alfred, p. 115.

² This survey, however, is not so complete as some authors pretend. Some cities and towns of note are not mentioned in it, and the greater part of the villages are omitted. It was principally intended to give the king a true account of his own lands, and demesnes, and those held by his tenants *in capite*. Rapin, vol. i. p. 177. Note 4.

³ Dial. de Scaccario, lib. i. cap. 16. But some imagine, that *Domesday* is a corruption of *Domus Dei*, from this book being at first kept in a church. Hearne's Alfred, p. 115. Note 4.

name is of Norman extraction, and that it imitated, in a great measure, the Norman forms and manner of proceeding *. It was founded on principles perfectly consonant to those on which the Conqueror acted; whose great object, at least in the latter part of his reign, certainly was, to oppress a nation of whom he was jealous, and whose spirit he wished to crush, under the appearance of law, and semblance of justice.

The revenue of William I. may be considered under four heads—The income of the Royal Domains—Voluntary Gifts—Legal Taxes—Tyrannical Exactions.

1. Landed
Estate.

Notwithstanding William's liberality to those who assisted him in the conquest of England, and the immense estates which he bestowed upon his particular favourites, yet special care was taken, to reserve a domain amply sufficient to support the dignity of the crown, and to maintain that rude hospitality for which feudal courts were distinguished. Indeed, without that immense supply of provisions, that was furnished by the tenants of their demesnes, it would have been impossible for the first of the Norman monarchs, to have celebrated the festivals of Christmas, Easter, and Whitsuntide (when all the great barons of the kingdom, with their principal followers, were entertained by their sovereign), with the plenty and abundance to be expected at a royal table. It is to be remarked, that this practice continued until the middle of Henry the Second's reign, by whom, on account of the expence which it occasioned, it was finally abolished.

2. Voluntary
Gifts.

William began his reign, in a manner which tended so much to conciliate the affections of his new subjects, that they were prevailed upon, soon after his coronation, to make him voluntary gifts and presents to a considerable amount. The English fondly imagined, that by such means they would not only ingratiate themselves with their sovereign, but would also enable him amply to reward his Norman followers, without requiring any tax or addition to his revenue. But, notwithstanding the large sums of money, which he thus found means to obtain; and though he had got possession of the treasures which Harold had amassed, which were not inconsiderable, yet he soon discovered, that with money alone, it was impossible for him to satisfy a rapacious

* Dial. de Scaccario, lib. i. cap. 4. Madox, p. 120.

foldiery, who had joined his standard in hopes of durable establishments in land, and not of a temporary bounty; and hence it is said, that he was reduced to the necessity, of exasperating the English, and driving them to rebellion, in order that he might have a pretence for distributing their forfeited estates, among his friends and followers.

The income received by the first of the Norman monarchs, as Lord Paramount, or Feudal Superior of all the lands in England, depended upon so many contingencies, that it is impossible to form any estimate of its value or amount. But in addition to the great but uncertain revenue which he thus received, and the other sources above-mentioned, he joined the odious tax of Danegeld; at first, under the usual pretence of guarding the sea from pirates; but afterwards, in consequence of an attack he apprehended from Sueno King of Denmark, who intended, it was said, to vindicate his claim to the throne of England, with all the strength and forces of which he was possessed. During the reign of William, Danegeld varied from one to six shillings *per* hide⁵, according to the exigencies of the crown. But the revival of so obnoxious an imposition, however plausible the grounds might be, on which it proceeded, gave much discontent, and greatly contributed to the frequent insurrections, by which his government was disturbed.

3. Taxes.

It is asserted also, by some ancient historians, that William extorted considerable sums of money from his subjects, without any legal pretence: and finding that many of the English, in terror of his exactions, had deposited their wealth in monasteries, he ordered them to be searched; and not only appropriated to his own use, all the money, jewels, plate, and other valuable effects, belonging to individuals, which were discovered there, but also seized the very shrines and chalices of the churches⁶: articles which were accounted so sacred and inviolable, in that superstitious age, that it is difficult to conceive how a prince, who affected so much zeal for religion, could hazard such an attempt.

4. Tyrannical exactions.

The amount of the Conqueror's income has been much disputed. *Ordericus Vitalis* says, that, besides all the casual profits of his feudal

Amount.

⁵ Matthew Paris says, that Danegeld was raised to six shillings *per* hide, *anno* 1083. He calls it *gravissima pecuniarum exactio*, p. 10.

⁶ Matthew Paris, *Hist. Angl.* Folio edit. 1606, p. 10.

prerogatives, he enjoyed a revenue of about 400,000*l. per annum*⁷. This, in the opinion of two celebrated modern historians, is perfectly incredible. Hume remarks, that a pound of silver in that age contained three times the weight that it does at present; consequently 400,000*l.* then was equal to 1,200,000*l.* of our specie; and as any given sum of money, would then purchase about ten times more of the necessaries of life, than at present, the Conqueror, according to this calculation, must have enjoyed an unencumbered annual income, equal to nine or ten millions of the present currency. His military tenures, likewise, furnished him with a formidable army without any expence; so that he must have exceeded, in real power and opulence, any monarch recorded in history⁸. Voltaire, though he converts the Conqueror's income only into five millions of modern money, also contends, that ancient writers must have been greatly mistaken in their account of his wealth. For the revenue of England, he says, including Scotland and Ireland, does not yield so much, if we deduct what is levied for payment of the national debt⁹. The subtraction of any thing on account of the interest paid to the public creditors, is a very inaccurate and unjustifiable position, because it arises from taxes levied on the subject, as much as any other part of the national income. But these two great authors seem to have carried their scepticism too far in this, as they have done in many other instances. It is probable, that both of them would have been equally incredulous, had they been told thirty years ago, that Great Britain and Ireland could have raised in the year 1784, a revenue of above fourteen millions *per annum*. After all, it is impossible totally to discredit the accounts of *Vitalis*, an historian who was born only nine years after the conquest, and consequently must have enjoyed better access to information, than any modern can pretend to. Indeed, without such an income, it would have been impossible for the kings of England to have lived with such splendour and magnificence; to have bestowed such li-

⁷ Or 1061*l.* 10*s.* 0*d.* a day. The words of *Vitalis* are—"Ipse vero regi (ut fertur), mille et sexaginta libræ sterlingis monetæ, solidique triginta, et tres oboli ex iustis redditibus Angliæ, per singulos dies redduntur, exceptis muneribus regiis, et reatum redemptionibus, aliisque multiplicibus negotiis, quæ regis ærarium quotidie adaugent." L. 4. p. 523. apud Duchef.

⁸ Hume's History, vol. i. p. 277.

⁹ Gen. Hist. vol. i. p. 166.

beral donations on the church; to have carried on so many public works; to have engaged in so many expensive wars; and after all, to have left behind them such considerable treasures. Sixty thousand pounds in silver, equal to 900,000*l.* of modern money¹⁰, was found in the Royal Treasury at Winchester, after the death of the Conqueror; besides gold, jewels, vestments, and other articles of great value: and as he died in Normandy, where he had also large sums of money hoarded up (indeed it was his usual practice to carry a treasure about with him), there is less reason to believe that the accounts given of his wealth and annual income, could be greatly exaggerated. Besides, *Vitalis* is so particular in the sum he mentions, stating not only the pounds, but even the number of farthings which William received; namely, one thousand and sixty pounds and thirty shillings and three farthings a day (which is the mode of counting still used in the exchequer, instead of one thousand and sixty-one pounds ten shillings, &c.), that one would suppose his information was derived from authentic records, and was not founded on vague or hasty computations.

As to the amount of this income in modern money, authors greatly differ. Dr. Henry computes it, as equal in efficacy to 5,808,975*l.*¹¹; Lord Lyttleton, to 5,369,925*l.*¹²; and as they both differ so much from Hume and indeed from other historians, it is easy to perceive what latitude there is in such computations for prejudice and fancy; and, perhaps, on the whole, there is more reason to conclude, that a modern may err in making such calculations, than to suppose that an ancient writer could be grossly mistaken in a plain matter of fact¹³.

WILLIAM RUFUS.

The second son of William the Conqueror, called Rufus, or the Red, on account of the colour of his hair, succeeded to the throne of Eng-

¹⁰ Henry's hist. vol. iii. p. 28. ¹¹ Ibid. vol. iii. p. 352. ¹² Hist. vol. iii. p. 454.

¹³ The Conqueror's income must have arisen, first, from the tax of Danegeld, which at six shillings per hide would produce 73,080*l.*; and secondly, from the rents of his domains, which, it is more than probable, would make up the deficiency. This is a point, however, which must soon be ascertained, as our antiquaries will now be able, from the publication of *Domesday-book*, fully to explain the value of the Royal Domains, and the income which they produced.

land,

land, in consequence of his father's destination, the remissness of his brother Robert, his own activity, and the attachment of Lanfranc Archbishop of Canterbury, by whom he had been educated, and who possessed great weight and authority with the English. The thirteen years during which this tyrant governed England, was a perpetual series of extortions, of which the church in particular had great reason to complain. It was an usual practice with him, when any Bishopric or Abbey became vacant, to seize all its temporalities, and to farm them out to his favourites, or to those who made him the highest offer; and when any circumstance induced him to fill the vacancy, he exacted considerable sums from those who were appointed. The plunder he collected from the church must have been very great, when it is considered that, at his death, he held in his own hands the Archbishopric of Canterbury, the Bishoprics of Winchester and of Salisbury, and twelve of the richest Abbacies in England¹⁴.

Nor were the laity less harassed by his extortions¹⁵. A tax of four shillings for every hyde of land in the kingdom, was levied, to enable him to acquire the possession of Normandy. Great sums were extorted, under the name of *benevolences* or free gifts, though, in fact, they were compulsory; for it was well known that the king would punish those who refused to contribute. In the sixth year of his reign, he enlisted troops for an expedition into Normandy; and when they were assembled, in order to be embarked, either finding their assistance unnecessary, or imagining that a sum of money would answer his purpose better, he exacted ten shillings from each man, under the pretence of defraying the expence he had been put to in furnishing them with provisions¹⁶. In short, he was unquestionably well entitled to the name of *the Red Dragon*, by which appellation his miserable subjects attempted briefly to describe his violence and rapacity.

The history of this monarch furnishes an useful lesson on the vanity of human ambition. He succeeded to the throne of England, contrary to the hereditary pretensions of an elder brother, distinguished for valour and military skill. He found means to acquire, from that very brother, the possession of the duchy of Normandy, in consideration of ten thou-

¹⁴ Matt. Paris, p. 52.

¹⁵ Ibid. p. 42.

¹⁶ Ibid. p. 16.

land marks, advanced to him by way of mortgage; a sum which, though very inadequate to its value, yet enabled Robert to undertake his favourite enterprize (an expedition for the recovery of Jerusalem) in a manner suitable to his dignity and station. Rufus had entered into an agreement with William Duke of Aquitaine, who was seized with the same phrenzy of devotion; and, had not his death prevented it, he would soon have been master of that important dutchy for a similar consideration: nay, it was commonly supposed, that he intended to embrace any favourable opportunity that might occur, of attempting the acquisition or the conquest of France, either by corruption or force. But, in the midst of his ambitious projects, whilst engaged in his favourite diversion of hunting, he was pierced by an arrow, which soon put a period to his days; and it has never been clearly ascertained by whose hand he fell, or whether his death was occasioned by any fortuitous accident, or was purposely effected.

H E N R Y I.

The absence of the Duke of Normandy, who had not yet returned from his crusade, furnished Henry, the Conqueror's third son, with an opportunity of mounting the throne so unexpectedly vacant by the death of Rufus. Not an instant was lost in taking every step necessary for that purpose. The regalia, and the royal treasures, kept at Winchester, were first taken possession of. A council was hastily assembled at London, by whom his title to the crown was recognized; and, in less than three days after his brother's death, the ceremony of his coronation was performed at Westminster, by Maurice Bishop of London. The whole was conducted in a manner, which impresses us with a favourable idea, of his vigour and abilities.

As Henry's title to the throne was highly questionable, he found it necessary, in order to conciliate the affections of his subjects, to pursue a system of government very different from that of his brother: accordingly, soon after his coronation, he granted a charter, which contained many articles highly favourable to the liberties of the people. It was the basis on which *Magna Charta* itself was founded; and it fully proves at what an
early

Anno 1100.

early period the English were attentive to the preservation of their rights and privileges, and that no fit opportunity was lost to have them ascertained.

Though this king is, in general, represented by our historians in a very advantageous light, yet he is accused of having occasionally forgotten his engagements to the public. Contrary to an express clause of the charter he had granted, he seized the temporalities of the archbishopric of Canterbury, sold the woods belonging to it, plundered the tenants, and kept possession of its revenues for above five years. His levying three shillings on every hyde of land, when his daughter Matilda was married to Henry IV. Emperor of Germany, may be justified upon feudal principles; but the specific sum he demanded (amounting, it is supposed, to about 800,000*l.* of modern currency) was to the greatest degree oppressive¹⁷. The exactions of this monarch, however, are to be attributed, principally to his great anxiety, at first to acquire, and afterwards to preserve the dutchy of Normandy; a re-union with which, many of his English subjects considered to be essential. In the fifth year of his reign, they were particularly oppressed, to raise a sum of money for defraying the charges of an expedition to the continent, upon which the possession of that dutchy depended. A tax was laid even upon churches; and every incumbent was made answerable for the rate at which his parish-church was assessed¹⁸. Many heavy taxes were also laid on, in the seventeenth year of his reign, in consequence of a war he was obliged to carry on against the King of France, for the security of Normandy¹⁹.

The reign of Henry is distinguished by a very important alteration in regard to his revenue. We are informed by *Gervas of Tilbury*, in his famous Dialogue on the Exchequer²⁰, that the rents of the Royal Domains, for many years after the Norman Conquest, were principally paid in kind; and that, in the reign of this monarch, they were converted

¹⁷ Brady, vol. ii. p. 270.

¹⁸ During the rage of this oppression, Henry was met, in his road to London, by two hundred parish priests in their surplices, who, on their bare knees, petitioned for some mitigation of so oppressive an imposition; but their entreaties were ineffectual: for Henry never suffered pity, to get the better of interest. Mort. vol. i. p. 212. Note.

¹⁹ Stevens, p. 18.

²⁰ Lib. i. ch. 7.

into money". As Henry lived much in Normandy, and was engaged in many foreign expeditions, money was particularly convenient to him; and in consequence of the scarcity of specie at that time, the conversion was made on terms highly favourable to the vassal, an ox being only valued at one shilling, and a sheep at four pence. Both parties were then satisfied; but it is certain that Henry's successors had much reason to complain of the inadequate composition he had accepted of: for it not a little diminished, at an after-period, the relative value and amount of the royal income; and greatly contributed to the future poverty and necessities of the crown.

S T E P H E N.

The attempt of Stephen to seat himself upon the throne of England, is one of the boldest enterprizes recorded in history. He was the grandson, it is true, of William the Conqueror, whose daughter Adela had been married to his father the Earl of Blois, but he was the third son of that marriage; and, as both his elder brothers were living, he had no hereditary claim to the succession. He opposed the daughter of a sovereign who had long reigned over the English; and whose government, though sometimes harsh and oppressive, was in general popular. His rival, the Empress Matilda, indisputably represented the Norman, and had some pretensions to the inheritance of the Saxon sovereigns of England. Nor could he trust to the effects of his lavish promises to the English nation, of maintaining a strict regard to the preservation of their rights and privileges; for having abandoned the solemn engagements he had contracted to support the empress in her succession to her father, it was natural to suppose that he could not be depended on to fulfil any other obligation. But such was the unsettled state of succession to the crown; so much were the people of that age delighted with bold and daring enterprizes, and so attached to men of gallantry and spirit, that Stephen found his attempt successful beyond his most sanguine expectations. He was anointed King of

²¹ Madox Excheq. p. 186. Carte's Hist. of England, vol. i. p. 518. Hales's Sher. Accounts, p. 22. Dalrymp. of Feudal Prop. p. 27.

England soon after his arrival, and assumed the exercise of the royal authority with hardly any opposition.

The reign of this monarch passed in perpetual war and civil bloodshed. During the whole period, the nation is represented to have been in a state the most deplorable. Some forsook their native country, to avoid the miseries under which it groaned. A multitude of foreign mercenaries brought over by Stephen to assist him in his usurpation, and to support his authority, spread horror and devastation wherever they went. Many who had lived in opulence were glad to shelter themselves in the meanest cottages, and to feed upon dogs and carrion—the fields lay fallow and neglected—commerce and industry were abandoned—towns of considerable note were deserted by their inhabitants: nor was any place, however sacred or remote, exempted from the general calamity²². Such is the description given us of the state of England during the reign of this usurper, who at the same time was a prince (if we may judge from some traits of his character) well qualified to have promoted the happiness and prosperity of his subjects, had he succeeded by a just title, or had he enjoyed the undisturbed possession and government of the country²³.

Stephen had promised on his coronation day, for ever to remit the odious tax of Danegeld; but the necessity of his affairs compelled him to exact it, notwithstanding his oath, and a charter which he had granted. It was the only regular tax he imposed. For during the greatest part of his reign, the only means he had of supporting his troops, and maintaining his dignity, was by plunder and extortion. He is also accused of having alienated the demesnes of the crown, of having debased the coin, and of selling to the highest bidder, honours, offices, dignities, and benefices in the church, the last pitiful resource of a profuse and indigent monarch.

Conclusion.

It appears from this chapter, what little progress had been made in the knowledge of finance, from the Norman invasion to the death of Stephen. During the whole period, it was understood, that the king should live upon his own domains, and the profits of the feudal prero-

²² Lytt. vol. i. p. 328. and vol. ii. p. 133. Stevens, p. 21.

²³ Hume, vol. i. p. 369.

gatives; and every species of taxation (military services only excepted) was the object of aversion and disgust. Danegeld, the only regular tax that existed at the time, though perhaps necessary for the protection of the commerce of the nation, was considered as so peculiarly severe, that every monarch who attempted to levy it, was accounted a tyrant and an oppressor, and that single tax occasioned as many complaints, and as great an outcry, as the whole load of multifarious imposts, to which this country is at present subject.

C H A P. VI.

*Of the Revenue of England, during the Saxon Line, or
House of Plantagenet.*

THE history of England, and indeed of every other country subject to a monarchical form of government, clearly demonstrates the manifold advantages resulting from a strict hereditary succession. Whenever any doubt exists to whom the crown legally belongs, disputes will arise; and turbulent and ambitious men, will embrace the party, which seems the most likely to be of the greatest advantage to themselves, without regarding the welfare or safety of the State. The country is thus ruined by a competition between rivals, perhaps equally worthless; and, after all, the contest is determined, not in favour of him who has the best title, or who will govern best, but of him who makes the most lavish promises, or who is able to command the greatest number of bold and desperate adherents. It was by means of such promises, and such support, that Stephen vindicated his pretensions to the crown of England, to which another was legally intitled; at least, if the immediate descendants of William the Norman had a right to the sovereignty.

But Henry II. not only claimed the crown, as lineally descended from the Conqueror, but also as 'in some measure' representing the Saxon monarchs of England. His mother, the Empress Matilda, was descended from Edmund Ironside, the last of the Saxon race who left any posterity. Edmund's son, known by the name of Edward the Outlaw, had two children, Edgar Etheling, who died without issue, and Margaret, in whom the Saxon hereditary right consequently resided. By her husband, Malcolm king of Scotland, she had several children, and among the rest, Matilda, the wife of Henry I. who by him had the Empress Maud, mother of Henry II.—At the same time, it must be acknowledged, that he could not claim an hereditary right to the kingdom, by a regular course of succession from the royal Saxon family; for the sons of Margaret unquestionably inherited her rights in preference to her daughter, and consequently her title to the crown devolved on her grandson David King of Scotland: however, Henry's connexion with the Royal Saxon family was such, that it endeared him not a little to the English nation; and they fondly imagined, that they saw another Alfred seated upon the throne.

In conformity therefore to a very ancient prejudice, we shall consider Henry's accession, as the restoration of the old Saxon line, though that event did not, strictly speaking, take place, until James I., the lineal heir and representative of Margaret, succeeded to the crown.

Revenue of Henry II.

Among the various measures taken by this monarch after his accession, perhaps the boldest and most important was, the resumption of such of the crown-lands as had been granted by his predecessor Stephen, and even by his mother, the empress Matilda. And here it is necessary to take notice of a very material distinction in regard to the royal demesnes. The ancient patrimony of the crown, called in Doomsday-book *Terra Regis*, was held to be so unalienable, that if any portion of it was given away, either the king by whom it was granted, or any

* Black. vol. i. p. 201. Lytt. vol. i. p. 223. Matthew Paris traces his Saxon genealogy from the Flood, p. 90.

of his successors, could at any time resume the donation. Whereas lands which escheated to the crown, in consequence of a default of heirs, or any feudal delinquency, it was in the power of the sovereign to dispose of, in any manner he thought proper. This distinction was, at different periods of the English history, productive of very opposite effects. At first, when a prejudice ran in favour of the unalienability of the public domains, it was difficult to support any grant, even of lands which the crown had acquired by any mode of confiscation or escheat. But when the popular cry took an opposite direction, it was held impossible to distinguish between the two kinds of domain: the one became gradually confounded with the other; and hence the king acquired the right of alienating both. The crown was thus enabled to dissipate the immense landed property which it originally possessed, and which, had it remained undiminished, must have rendered our kings perfectly independent, and almost uncontrollable.

The resumption, by Henry, was unquestionably justifiable. In the treaty with Stephen, that monarch became bound to resume what had been alienated to the nobles, or usurped by them of the royal demesnes²: and though Stephen had neglected to carry this article of the treaty of Winchester into execution, yet it was necessary for Henry to enforce it, in consequence of the exorbitant grants which had been made by his predecessor, and the consequent poverty of the crown. He therefore summoned a parliament, and having laid before it his distressed situation, the illegality of the grants in question, and the necessity of an immediate resumption, he obtained the concurrence and authority of that assembly for so essential a purpose. Little difficulty was found in resuming the grants made by Stephen, whose necessities had compelled him to alienate the royal domains in a manner not to be defended. But those which had been given by the Empress, and with which she had recompensed the greatest and most meritorious services to herself and family, her adherents scrupled to restore. Henry, however, was determined to make no distinction; and, after some opposition, actually recovered the possession of all the landed property which Henry I. had enjoyed; those lands only excepted, that had been granted to the church, which that

² Lytt. Hist. vol. ii. p. 256. 290.

powerful and politic body, in the original treaty of Winchester, had taken care to secure.

Defects of
the feudal
system.

“ The military force, established by the feudal institutions (it is remarked by a great historian), was extremely burthensome to the subject, yet rendered very little service to the sovereign. The barons, or military tenants, came late into the field; they were obliged to serve only forty days; they were unskilful and disorderly in all their operations; and they were apt to carry into the camp, the same refractory and independent spirit, to which they were accustomed in their civil government³.” Such a military establishment might, by great attention and by frequent exercise, prove a safe and adequate defence to dominions entirely insular, but was ill calculated for the exigencies of those foreign wars which the crown of England was so frequently engaged in at that time, in consequence of its continental possessions⁴.

Origin of
scutages.

Henry, it is probable, had the merit of first discovering a remedy for this defect. It was originally attempted in the second year of his reign, when, in order to carry on a war against the Welsh, he laid a duty, or *scutage*, as it was called, of twenty shillings for each knight's fee, upon the estates of those prelates who were bound to military services⁵. Many scutages were afterwards levied in the course of his reign. In particular, one for carrying on the war of Toulouse, which amounted to the sum of 180,000*l.* equal to 2,700,000*l.* of modern money⁶. This commutation, though heavy, was, on the whole, less burthensome to the vassals of the crown, than to perform their services in person. For, besides the expence of going to war in a distant country, and returning from it at their own charges when the campaign was over, their affairs at home were neglected, their estates were suffered to lie waste, and thus, in addition to the hazards of war, they were subject to a thousand domestic inconveniences. It was a plan, at the same time, attended with much advantage to the crown; as instead of troops, though brave, yet disorderly and untractable, it was thus

³ Hume's Hist. vol. i. p. 468. See also Carte, vol. i. p. 570. 731.

⁴ Lytt. Hist. vol. ii. p. 429.

⁵ Maddox's Hist. of Excheq. p. 435.

⁶ Lytt. Hist. vol. ii. p. 429.

enabled to purchase the services of real foldiers, equally martial and disciplined⁷.

But the religious zeal, so prevalent at that time, gave rise to a new imposition, with which England had been hitherto unacquainted⁸. It was a tax on personal property, and it was levied in a very singular manner. A chest was erected in the different churches, into which every man, after having taken an oath, and justly summed up the value of his effects, and the debts of which he had a certainty of being paid, was obliged to put in two pence in the pound for the first year, and a penny in the pound for the four following years, under the penalty of his breaking his oath, and incurring the sentence of excommunication denounced against those who acted fraudulently⁹. This was the first tax on personal property known in England; and though it amounted to six pence in the pound only, it would not probably have been easily submitted to, had it not been appropriated for so popular a purpose as that of assisting the christians in the east, who were then threatened with expulsion.

First tax on
personal prop-
erty.

This contribution, however, did not much avail. At least, *anno* 1188, more powerful assistance became necessary¹⁰. For in that year, intelligence arrived from Palestine, that Jerusalem, the darling conquest of the christian world, had been taken by Saladine, the sultan of Egypt, and that he was preparing to drive the worshippers of the cross from their remaining possessions in Asia. The greatest potentates in Europe, alarmed at the news, confederated together to check the progress of so formidable a conqueror, and, if possible, to recover the holy city from the hands of the infidels. Not only Henry, but the emperor Frederic I. and Philip, king of France, determined, with their united forces, to engage in this crusade. A council of the bishops and nobility of England was soon after held, to consider of the best means to raise the necessary supplies; and at last it was determined, to levy a tax of a tenth part of all the personal property of those, who, remaining at home, took no share in so pious an enterprise. This, which is the first instance

Saladine
tithe.

⁷ Hume, vol. ii. p. 265.

⁸ Anno 1166. 12 Henry II.

⁹ Stevens's Hist. p. 28, 29, 30. Carte's Hist. vol. i. p. 599. M. Paris, p. 101. on the other hand, says, that fourpence was collected from every ploughland.

¹⁰ 35 Hen. 2. See Hoveden, p. 366.

of a tenth being exacted, was called the *Saladine Tithe*, from the name of the gallant Muffulman, whose valour gave rise to this imposition¹¹. It is said, that the English paid above 70,000*l.* and the Jews in England, about 60,000*l.* as their respective proportions of the tax, which, when joined together, was equal to about two millions of modern money. The disproportion was very great: but it is to be considered, that none of the Jews were exempted; whereas many of the wealthiest of the English, in consequence of their having taken the cross, pleaded immunity from the impost. Nay, the greater part of the regular clergy were freed from the burden, having contended that they were obliged by their prayers only to assist the crusade, their lands being held in *frank almoigne*, a tenure which exempted them from all duties but religious exercises.

Feudal aid
pur fille
marier.

In the thirteenth year of his reign, Henry having married his daughter Matilda to the Duke of Saxony, levied an aid from his subjects, to enable him to give her a portion adequate to her rank, and that of her husband. This tax amounted to one mark for each knight's-fee. It was paid by the several knights and barons holding of the crown *in capite*, according to the number of their respective fees. Nor were the bishops or abbots exempted from this imposition¹².

Danegeld.

The odious tax of Danegeld, though levied in the beginning of Henry's reign, was either totally remitted by this monarch, or fell into disuse. There is much uncertainty in our public records, as to the final extinction of this tax, which *Madox*, with all his knowledge and industry, has not been able clearly to develope¹³. After the second year of Henry II. he conjectures, that it was not a settled part of the public revenue. Perhaps it was difficult, however, at once, totally to abandon so considerable a branch of the royal income; and there is reason to believe, that it was occasionally levied, particularly in the thirteenth and twentieth years of Henry's reign, and probably in the twenty-first, when writs of summons, for that purpose, were issued out of the exchequer.

Some authors have accused this monarch of pillaging the possessions of the church; of executing, with the greatest rigour, the harsh regula-

¹¹ Carte, vol. i. p. 719.

¹² Madox, Excheq. p. 398.

¹³ Ibid. p. 478 & 479.

tions of the forest laws ; and of reviving the old Saxon taxes of *Burg-bote*, *Brig-bote*, *Heregeld* and *Horngeld*¹⁴. But, on the whole, there seems to have been little reason to complain of the general tenor of his government ; and it is recorded, much to his honour, that having been for some time absent from England, and finding, upon his return, that great abuses had taken place in the collection of his revenues, and indeed in the administration of justice, he appointed a commission of some of the most respectable of his subjects, to enquire fully into the grievances that were complained of ; and, in consequences of their report, many of the sheriffs, and other officers of the crown, were removed, and obliged to give satisfaction, not only to the king, but to any private individuals who were injured¹⁵.

The amount of the treasure which Henry left behind him, is a point about which historians differ. Hume states it only at an hundred thousand marks¹⁶. But Matthew Paris, and other authors, affirm, that it amounted to 900,000 l. in gold and silver, besides plate, jewels, and precious stones¹⁷. The former account, however, is the more probable : for, with so great a treasure as Matthew Paris supposes this monarch to have been master of, he must have carried on the war, in the latter part of his reign, with more spirit, and with more success ; and would not have been reduced, a few days before he died, to the hard necessity of ratifying a treaty, which imposed terms equally ruinous and disgraceful, and which tarnished all the glory and renown he had formerly acquired.

Treasure.

RICHARD I.

The reigns of heroes, or of martial monarchs, however advantageous to the military character, yet are uniformly destructive to the property, and baneful to the commercial interests of a nation. The subjects of such monarchs, though uninterested in the success of the wars in which they are engaged ; and though, if successful, the glory wholly centers in the sovereign, yet are under the necessity of defraying the heavy load of expence, which the wildness of their ambition occasions ; and thus the solid interests of a nation are sacrificed, to gratify the pride, to in-

¹⁴ Stevens, p. 34.¹⁵ Lytt. Hist. vol. iv. p. 292.¹⁶ Vol. ii. p. 5.¹⁷ Matth. Paris, p. 147. Carte, vol. i. p. 738.

dulge the passions, and to promote the aggrandizement, of one arrogant or vain-glorious individual. Notwithstanding these circumstances, the reign of *Richard Cœur de Lion*, or the Lion-hearted, is a favourite one with the English reader, who fondly fancies, that, by his valour, the fame of England was established in the most distant corners of the East.

The Crusade.

The preparations made by Richard for his expedition, are a full proof of that monarch's zeal for the enterprise he had undertaken; and indeed, if his subjects had not entered into it with the same alacrity, they could hardly have suffered him to take steps of so oppressive and dangerous a nature. Every means that could be invented for raising money, was adopted without hesitation. The crown lands, and offices of the greatest trust and power, were disposed of, almost at any price. The feudal superiority of Scotland was sold for ten thousand marks. Arbitrary fines were levied from the officers of the crown, under the pretence of delinquency. The rich, who had escaped other modes of extortion, were compelled to supply the king with money by way of loan, without any hope of being repaid. Nay, under colour that the great seal was lost, former grants were held to be invalid. A new seal was made, and every person was obliged to purchase a renewal and confirmation of his grant. It is said, that, by these and other means of exactions equally odious, so much money was raised, and carried out of the kingdom, that a genuine coin, of this monarch's stamp, is hardly to be met with, in the most valuable and curious collections¹⁸.

Richard's ransom.

The consequence of this monarch's expedition to the east, the renown he acquired in the course of the war, and his disgraceful captivity on his return home, are circumstances well known to every person in the least conversant with the English history. Leopold, duke of Austria, and Henry, emperor of Germany, by whom Richard was imprisoned, having demanded the exorbitant sum of a hundred and fifty thousand marks for his release, a heavy tax was laid upon his subjects, in aid of the king's ransom, to which the vassals of the crown were bound by the nature of their tenures. England had not yet recovered the loss of specie, which it had sustained by Richard's former extortions, and the-

¹⁸ Parl. Hist. vol. i. p. 19.

treasure that he carried with him to Asia. At a time when money was scarce in Europe, and the commerce of England was inconsiderable, a fresh supply of specie was not easily procured: it was, therefore, with the utmost difficulty, that the first payment of 100,000 marks was made, though his subjects, notwithstanding the variety of taxes imposed upon them at that time, vied with each other, which of them should pay in the greatest voluntary contributions for the ransom of their sovereign¹⁹.

From the return of Richard to his death, his reign was a perpetual series of war abroad, and of extortion at home; principally, however, occasioned by the attempts of Philip Augustus, king of France, to conquer the dominions of England on the continent. In consequence of the enterprises of that formidable enemy, joined to the heavy ransom he had been obliged to pay, he was reduced to the necessity of cancelling all the contracts he had entered into, previous to his Asiatic expedition; and of resuming all the offices, together with such of the crown lands as were purchased at that time. The whole body of the clergy also, but more particularly the Cistercian monks, were obliged to pay considerable sums of money to supply the king's necessities; and at this period we first hear of wool being taken in kind for the purposes of revenue. In the tenth year of his reign, Danegeld likewise, under the less obnoxious name of Hydage, was levied at the rate of five shillings *per hyde*²⁰.

Extortions.

It is not a little singular, that the reign of this monarch should furnish an example of raising a revenue by means of licences; a mode which, in modern times, has become so prevalent. Necessity, however, is the parent of invention; and, considering the difficulties to which Richard and his ministers were reduced, it is not to be wondered at, that they should make this important discovery. At the period we are now writing of, it is well known, that, for the better exercising of the people in the arts of war, jousts and tournaments were encouraged, and they naturally became fashionable in so martial an age. But, with

Licences.

¹⁹ Carte, vol. i. p. 759. Authors differ much as to the amount of this monarch's ransom. Diceto calls it 100,000*l.* of silver. Jervase of Canterbury, 150,000 marks. M. Paris, p. 167, 140,000 marks of silver. The MS. Chronicle at Chester, 160,000 marks. But Hoveden, p. 415, gives us a copy of the agreement, from which it appears, that 100,000 marks were paid down, and that, for the remaining 50,000, hostages were to be given, but the payment was conditional. 100,000 marks was equal to 194,000*l.* of modern money. Folkes on Coins, p. 6. Note.

²⁰ Stevens, p. 40.

a view of rendering that practice profitable to the exchequer also, it was enacted, by Richard, that every person should pay for a licence before he engaged in such exercises, according to the following rates: every earl, twenty marks of silver; every baron, ten marks; every knight, having lands, four marks; and such as had no lands, two marks. No person under the rank of a knight was permitted to enter the lists²¹.

Amount.

It is related by Hoveden, a very respectable ancient historian, that, in the space of two years, 1,100,000 marks, equal to 753,332*l.* sterling, or 376,666*l. per annum*, had been collected for public services²². This sum, Hume supposes to be totally incredible²³. But it is stated upon the authority of Hubert, archbishop of Canterbury, who had inspected the records, and examined the public accounts, to discover the real amount; and it is to be observed, that this was not the annual income of the crown, but comprised the various sums which had been extorted to carry on the war against Philip, and perhaps the money which the English had paid, either in the shape of taxes, or of voluntary contributions, for the redemption of their captive sovereign.

J O H N.

This despicable and odious tyrant, whose history it is impossible to contemplate without a mixture of disgust, indignation, and horror, claimed the crown, as next of kin to the deceased king, of whom he was the only surviving brother. But the English had soon reason to regret the support they gave him, in opposition to the pretensions of Arthur, and of his sister Eleanor, the children of Geoffrey, who was next brother to Richard, and whose descendants, therefore, by the right of representation, were entitled to the throne. To remove so dangerous a rival as Arthur, who had displayed, at an early period of life, spirit and abilities beyond his years, every art that treachery could invent, or barbarity could execute, was put in practice by his inhuman uncle; and it is supposed, that this obstacle to his ambition, which no

²¹ Carte, vol. i. p. 764.

²² Hoveden, folio edit. p. 437, *anno* 1196.

²³ Vol. ii. p. 38. See also Carte, vol. i. p. 769; and Davenant, vol. iii. p. 74, who supposes the sum equal to eleven millions of modern money.

other person had the cruelty to remove, was murdered by his own hands²⁴. By the death of this unfortunate prince, and Eleanor's captivity and imprisonment, he flattered himself, that his government was established on a rock, which could not easily be shaken. Instead of which, abroad, he lost the ancient patrimony of his family on the Continent; and, at home, passed a life of misery, turbulence, and disgrace.

Neither the clergy nor the laity were exempted from his rapacity. In the twelfth year of his reign, he is said to have exacted 140,000*l.* from the church. In his thirteenth year, 400,000 marks were also demanded; and in the course of a reign of seventeen years, only three are distinguished as being freed from one species of impositions or another. But the Jews in particular felt the weight and violence of his extortion. *An.* 1210, 66,000 marks were demanded from them; and persons of both sexes were seized, imprisoned, and tortured, in order that they might deliver up all they were worth²⁵. One of them, a Jew of Bristol, having refused to pay 10,000 marks assessed upon him, the tyrant ordered a tooth to be pulled or beat out every day, until this exorbitant sum was paid, which the unhappy Israelite was at last compelled to do on the eighth day, after seven of his teeth had been struck out²⁶.

The only circumstance which can prove in any respect agreeable to the reader during the whole course of his reign, is the confirmation, extorted from this monarch with considerable difficulty, of the rights and liberties of the people of this country, in the deed so emphatically named, The Great Charter of the Liberties of England²⁷. By this important instrument, a variety of regulations were enacted, favourable to the vassals of the crown, by which the pecuniary burdens of the feudal law were considerably diminished; and by the 14th, 15th, and 16th articles it was declared, that no scutage or aid should be imposed on the kingdom in general, and in particular on the city of London, or any of the other cities, towns, or boroughs of the kingdom, unless with the consent of the common council of the realm, excepting for ransoming

²⁴ Hume, vol. ii. p. 48.

²⁵ Stevens, p. 44.

²⁶ M. Paris, p. 220. Tovey's *Anglia Judaica*, p. 70. Madox *Excheq.* p. 151.

²⁷ See the famous Petition of Right, clause 3.

the

the king's person, making his eldest son a knight, or marrying his eldest daughter; and even then, only a reasonable aid was to be demanded: and by another clause, fines and amerciaments, which had formerly been very grievous and oppressive, were restricted within proper bounds. On the whole, this charter, though it does not contain a complete system of civil liberty, is, at the same time, without doubt, the most important, extensive, and valuable compact entered into between a reigning monarch and his subjects, to be met with in the history of almost any age or country.

Customs.

It appears from the forty-eighth article of Magna Charta, that some duties were paid on goods at that time, and had been formerly exacted. The merchants were to trade, "*sine omnibus malis tollis*." But, at the same time, the articles in which they dealt, were to pay custom "*per antiquas et rectas consuetudines*." What those ancient and equitable duties were, is now unknown; but they must have been very inconsiderable, as they were let in farm, in the fourth year of John's reign, for only 1000 marks²⁵.

John continued the dangerous practice, begun by his brother Richard, of selling the offices under the crown. Nay, he ventured to dispose of the high employment of chancellor, to one Gray, during his life, for only 5000 marks.

HENRY III.

At the age of nine years, Henry III. inherited the crown of England. He mounted the throne at a time when the greatest experience and the most splendid abilities were necessary to preserve the kingdom from the ruinous consequences of intestine wars and foreign invasion. Fortunately, William Earl of Pembroke, the marischal of England, and consequently by his office, in times of such turbulence and confusion, at the head of the government, was possessed of virtue and abilities adequate to so dangerous a crisis; and, by means of his prudence, vigour, and exertions, and the return of many of those barons to their allegiance,

²⁵ An. 1202. See Madox, p. 529. It appears also from p. 530, that the customs of all England, and the profits, arising from its principal fairs, amounted only to £ 4958 : 7 : 3½ from the feast of St. Margaret in the fourth, to the feast of St. Andrew in the sixth year of this monarch's reign.

who,

who, from hatred to their late monarch, had thrown themselves into the arms of France, Henry at last acquired the peaceable possession of his dominions, both in England, and on the continent.

The reign of this monarch, which lasted upwards of fifty-six years, is the longest in the annals of this country. Unfortunately, it cannot boast of splendour equal to its duration: it was neither happy at home, nor respectable abroad. His subjects complained of the weakness of his government, of his rapacity and profusion; whilst his enemies had no reason to tremble at the vigour or abilities of their opponent. Henry's character, perfectly well adapted to the still life of a private citizen, was but ill fitted for the bustle and intrigues of a court, or the tumults of hostility and war.

His attachment to unworthy favourites, and profuse liberality to the minions who were about him, in a great measure occasioned the miseries of his reign. By his inconsiderate bounties, he had reduced the income of the crown to 60,000 marks *per annum*²⁹, and he was not scrupulous as to any means of making up the deficiency. Revenue

It would be trespassing upon the reader's patience, to attempt an enumeration of the number of scutages, aids, talliages, carrucages, hydages, tenths, fifteenths, benevolences, &c. which this king, by different means, and under various appellations, obtained, or extorted from his subjects, in the course of his long administration. He is said to have taken 400,000 marks from the Jews³⁰. His expences in a vain attempt to conquer Sicily for his second son, are said by Matthew Paris to have amounted to 950,000 marks³¹. In the forty-third year of his reign, he was reduced to the greatest necessity. And when Lewis king of France, who was not perfectly satisfied with his right to Normandy and Anjou, offered him 300,000 livres Tournois, and lands to the value of 20,000 livres *per annum*, in full of his claim to the sovereignty of those two provinces, for that trifling consideration he renounced all his pretensions to the ancient patrimony of his family, and ever after struck out from his other titles, those of Duke of Normandy, and Earl of Anjou. To this king and his ministers may be attributed a new device

²⁹ M. Paris, p. 647.

³⁰ Steven's Hist. of Taxes, p. 48.

³¹ M. Paris, p. 918. This is the probable meaning of a passage which has puzzled many of our historians.

to raise a revenue, of which his successors afterwards availed themselves. The mode was, to compel every one who possessed fifteen or twenty pounds a-year in landed property holden of the crown, either to take the order of knighthood, or to pay a certain sum of money in its stead, by way of composition. This was a sure mode of raising money; for those who did not compound, were obliged to pay considerable fees at their creation, which all went into the exchequer.

Consequences of his profusion.

The miserable state to which Henry was reduced, is sufficient, one should imagine, to deter any monarch from imitating his extravagance and profusion. He found the utmost difficulty to pay his eldest son Edward, the small pittance of 15,000 marks *per annum*, for his support. His debts, amounting to about 300,000*l.*, he was totally unable to discharge. In order to raise money, he was obliged to sell the very furniture of his palace; to pawn the jewels of the crown; nay, the shrine of St. Edward the Confessor, for whom he had always expressed the highest veneration³². He is represented as wandering about the country, soliciting the charitable contributions of his subjects³³; and his attendants were reduced to such straits and difficulties, that they were compelled to confederate with gangs of robbers, in order, by their share of the booty, to secure a maintenance³⁴.

Customs.

In the reign of Henry, this branch of the revenue was increased to 6000*l.* *per annum*³⁵. But the exaction of such high customs was complained of, as contrary to Magna Charta, and was said to be attended with an apparent overthrow of trade³⁶: a proof how much people are apt to complain of the slightest burdens, and indeed how inconsiderable the commerce carried on by England at that time must have been.

³² Noy's Rights of the Crown, chap. viii. Stevens, p. 70.

³³ Stevens, Pref. p. 31.

³⁴ Hume, vol. ii. p. 228.

³⁵ Hume, vol. ii. p. 170. Note C.

³⁶ Noy's Rights of the Crown, p. 78.

EDWARD I.

Edward the First, the great reformer of our laws, and hence called the English *Justinian*, was one of the wisest and most fortunate princes, that ever sat upon the throne of England. In him were united the prudence and foresight of the statesman and legislator, with the valour and magnanimous spirit of the hero. The expensive wars, and the variety of important enterprises in which he was engaged, occasioned the levying of many taxes, and sometimes gave rise to oppressions, of which his subjects had some reason to complain: but the money he exacted from them, was uniformly expended for the honour and benefit of his kingdom; and the laws which he proposed, or to which he gave his consent, first extended that commerce, confirmed those liberties, and established that constitution, on which the future happiness of this country depended.

Among the other great transactions by which the reign of this monarch is distinguished, the final establishment of Magna Charta, together with some important additional articles, and a full and complete confirmation of the famous statute "*de tallagio non concedendo*," are intitled to particular attention. The former (Magna Charta) had already been frequently confirmed by the different monarchs, who, since the first passing of that important deed, had sat upon the throne; but it was still thought requisite, to have that solemnity again repeated. The latter was rendered necessary, in consequence of some defects in the Great Charter, particularly as it had permitted the crown, by its own authority, to levy aids for ransoming the king's person, making his eldest son a knight, or marrying his eldest daughter; a prerogative liable to abuse; and, at the same time, it had laid the crown under no restraint, in regard to exacting arbitrary talliages, from its demesnes. But by the statute above-mentioned, *no aid or talliage whatsoever* could be demanded, without the consent and approbation of Parliament; and this important concession, in the words of Hume, "the English nation had " the honour of extorting from the ablest, the most warlike, and the " most ambitious of all their princes, who was thus bereaved of the

Confirma-
tion of
Magna
Charta, and
of the statute
*de Tallagio
non conces-
dendo*.

K

power

“ power which he and his predecessors had hitherto assumed, of imposing arbitrary taxes on the people ³⁷.” By this famous statute, the people of England, as Bodin well expressed it, defended themselves, as if with a shield, from the exactions of their sovereign ³⁸.

Exactions
from the
Jews.

But whatever acquisitions of liberty, or security for their persons and estates, were obtained by the people in general, yet some of his subjects, who thought themselves equally intitled to his protection, were treated in a manner which impresses us with no very favourable idea of Edward's humanity. It is his treatment of the Jews to which I allude. Besides large sums of money extorted from them at his accession to the throne, in the third year of his reign, they were made subject to a poll-tax of three-pence each, without any exception on account of poverty, sex, or age ³⁹. In the fourth year, the tax was raised to five-pence a head: but in the eighteenth year, the whole nation was sentenced to perpetual exile by act of parliament. All their property was confiscated for the use of the crown; many were hanged under various pretences; in particular two hundred and eighty in one day, who were accused of having adulterated the coin; and above fifteen thousand were plundered of all their wealth, and banished the kingdom ⁴⁰. So odious were the Jews at that time to the nation in general, that the laity granted the king a fifteenth, and the clergy a tenth of their personal estates, for consenting to, and perhaps encouraging their expulsion ⁴¹.

Exactions
from the
Church.

But Edward's conduct to the clergy soon convinced them, that attachment to the superstition prevalent at that time, had no share in rendering him so great an oppressor of the Jewish race. The church from the beginning had some reason to be afraid, that a monarch so high-spirited and so ambitious as Edward, would be frequently under the necessity of applying to it for pecuniary assistance; and the clergy were not a little alarmed, when, in the sixteenth year of his reign, he gave orders to search all the monasteries in England, and to seize for his own use the money and valuable effects deposited in them. They flattered themselves, however, that the authority of the Pope would shield them from his rapacity; and, in consequence of an application from

³⁷ Hume, vol. ii. p. 292. 295. ³⁸ De Repub. lib. i. cap. 8. ³⁹ Stevens, p. 79.

⁴⁰ Tovey's *Anglia Judaica*, p. 232. Hume's hist. vol. ii. p. 236.

⁴¹ Stevens, p. 84.

the Archbishop of Canterbury, Boniface VIII. who then sat upon the Papal throne, issued a bull, prohibiting all princes to levy any taxes upon the clergy, and all clergymen to pay any imposition without the authority of the Pope. Edward was determined, by the most vigorous measures, to punish the clergy for making this application, and to compel them to renounce any benefit it could possibly afford. He put the whole church out of his protection: he declared that those who refused to support the civil government, were not intitled to receive any advantage from it. The judges were directed to suffer any person to harass or plunder them with impunity; whilst, on the other hand, no court of law would give them any redress. The king at last prevailed in the contest: the Pope's bull was either contemned or evaded, and the clergy were glad, almost on any terms, to be reinstated in the royal protection, and to enjoy again the benefit of the laws⁴².

Thus the church was made subject to the civil power; nor was it afterwards thought necessary to have a bull from the Pope, previously to any clerical imposition.

Taxes on the exportation and importation of goods, became, in the reign of this monarch, an important branch of the revenue. It is probable that customs were at first only small duties, levied at ferries and bridges, and, perhaps, for the liberty of trafficking on the Thames, together with fees for weighing and warehousing of goods, which the officers of the crown exacted for their labour and attendance. These trifling exactions might gradually take place, without the sanction of parliament, in consequence of the king's (who was accounted the arbiter of commerce) having provided weights and beams, and erected warehouses, where, subject to certain customary fees and duties, (thence called customs) all goods and commodities might be sold⁴³.

Customs.

But Edward I. was not satisfied with such petty advantages: for having seen, during the course of his expedition to Palestine, with what facility considerable sums of money were levied by way of custom in foreign countries, he thought it would be a happy expedient for raising a revenue in his own kingdom. The first duties laid on, however, were very moderate, amounting only to six shillings and eight-

The Antiqua
Custuma.

⁴² Carte, vol. ii. p. 265. 267. Hume, vol. ii. p. 286.

⁴³ Gilb. Hist. of the Exchequer, chap. xv.

pence on every sack of wool exported; and the like sum for every three hundred wood-fells; and a mark, or thirteen shillings and fourpence, for every last of hides, at the rate of twelve dozen *per* last⁴⁴. These duties, Lord Coke imagines, were granted by parliament in the third year of his reign; and, though the record is now lost, it is evidently referred to in a subsequent act (25 Edw. I. c. 7.); in which notice is taken of the customs on wool, skins, and leather, formerly granted to that monarch, by the commonalty of the kingdom⁴⁵.

Origin of
tunnage and
poundage.

Feb. 1,
1304.

Edward's necessities however demanded a more productive revenue; and he began with additional duties on aliens or foreign merchants, wisely conjecturing that any taxes they were willing to pay, might afterwards be extended with less difficulty to his own subjects. He granted, therefore, a charter (entitled *Charta Mercatoria*) to the merchant strangers settled in England, by which certain valuable privileges were bestowed on them, in consideration of their having agreed to pay the following customs. 1. In lieu of the duty called *Prisage*, the sum of two shillings for every tun of wine imported by them, over and above the ancient customs; a tax which afterwards obtained the name of *Butlerage*, being paid to the king's butler. 2. Forty pence for every sack of wool, and for every 300 wood-fells exported, in addition to the half mark, or six shillings and eight pence, paid by the natives; together with six shillings and eight pence additional for every last of hides. 3. Besides some duties upon cloth and wax, a general *poundage*, or tax of three-pence in the pound on all goods imported or foreign commodities re-exported, after having been landed in England, exclusively of the ancient customs to which they were formerly subject. These rates were called *Nova Cussums*, and sometimes *Alien duties*; and were levied by the authority of the crown, without the sanction of parliament, in consequence of the voluntary consent that was given by the foreign merchants⁴⁶. In the third of Edward II. however, this charter was suspended; and it was totally repealed in the fifth of Edward II. by the lords, who at that time were entrusted with the government of the country: but it was again established in the reign of Edward III.⁴⁷, and

⁴⁴ Madox, p. 536. Forster on the Customs, Introd. p. 14.

⁴⁵ Gilb. Excheq. p. 276.

⁴⁶ Forst. p. 26.

⁴⁷ 27 Edward III.

in fact it is the foundation of the duties of tunnage and poundage, so famous in the history of England.

Such were the customs paid by aliens in the reign of this monarch. As to the native merchants of the country, it was always the policy of England to give them superior advantages for carrying on their commerce; and as the *Nova Custuma* above-mentioned, were founded upon an agreement between Edward and the foreign merchants, the legality of which the commons were much disposed to question, there is every reason to believe, that the natives of the country were not at all affected by these new impositions. Here it may be proper to remark, that, *anno* 1298, the duty upon wool exported had been raised by Edward to forty shillings per sack, an increase grievously complained of; not only as it was laid on by the authority of the crown alone, but was in itself too high⁴⁸. The right of adding to the old, or of levying new customs, came at length to be a matter of such public importance, that, for many years, it was warmly contested between the crown and the people. But since the forty-fifth of Edward III. and eleventh of Richard II. chap. 9, it has been generally held, that no imposition whatever can be levied, either on exports or imports, without the consent of parliament⁴⁹.

The discovery of some valuable mines in Devonshire, also tended to enrich this monarch⁵⁰. It is on record, that within three years from their being first discovered, about 1700 pounds weight of silver were extracted from them; and it is probable that, afterwards, they would produce more, in consequence of a greater number of workmen having been employed. Mines.

From the conquest to the æra we are now considering, the usual mode of levying money for the extraordinary expences of the crown, was by scutages, or pecuniary commutations for personal service: but a variety of circumstances contributed to render such a system no longer effectual. Scutages were levied in proportion to the number of knights fees which each person possessed. But, in consequence of the fluctuation of private property, and of many evasions which it was impossible to foresee, and difficult to check, joined to the inaccurate manner in which the rolls of New system of taxation and government.

⁴⁸ Stevens, p. 96.

⁴⁹ Forst. Introd. p. 16.

⁵⁰ Stevens, p. 79.

knights fees were kept, it became impracticable to ascertain the number of fees with which each person ought to be charged. And when a small number was once accepted of, it was considered to be a binding precedent for the future". Thus the crown was deprived of the military services of its vassals; was defrauded of the compensation to which it was justly entitled; and was reduced to the necessity of providing some other means for the public defence. Some scutages, however, were levied during the reign of Edward: indeed so prudent a monarch could never have entirely relinquished an old and established mode of taxation, until he had known, by experience, that a more productive system of revenue could be carried into effect.

In the mean while, a new description of persons, attracted the attention of the sovereign. For many years, posterior to the conquest, the possessors of lands were the only rich and powerful individuals in the community: but, in process of time, towns came to be emancipated from their former subordination and dependence; their citizens became industrious and opulent; they engrossed a considerable share of the wealth and property of the country; the smallest portion of which they were unwilling to part with, unless with their own consent. Originally the principal towns in England were included in the royal domains; and the crown was entitled to impose talliages or taxes upon them, whenever it thought proper. The city of London itself was in that predicament; and, after some contest, whether it was talliable or not, in the thirty-ninth of Henry III. was compelled to pay a talliage of 3000 marks assessed upon it by the king and his council⁵¹. But when the famous statute *de tallagio non concedendo*, passed into a law, there was an end of that prerogative; and it was necessary for the crown, if it wished to reap any pecuniary advantage from the opulence of the towns and boroughs, to assemble their deputies together, and to endeavour, through their medium, to obtain the supplies necessary for the exigencies of the State. Hence arose the practice of regularly summoning the representatives of boroughs to parliament, which had occasionally taken place before the reign of Edward, but since his time has never

⁵¹ Hume, vol. ii. p. 278.

⁵² Madox, p. 491. Authors differ as to the nature of this *council*, but it was evidently not a parliament. Lytt. vol. iii. p. 258.

been interrupted. Brady and Hume, consider the twenty-third year of the reign of Edward, as the epocha of this great revolution⁵³; but it cannot, with strict propriety, be said to have taken place until, in consequence of the statute above-mentioned, enacted in the twenty-fifth year of this reign, all other legal means of taxing cities and boroughs, excepting by their representatives in parliament, were finally abolished.

Those who look upon themselves as the warmest friends of public liberty, cannot hear, with patience, that the commons house of parliament had not acquired, at an earlier æra, its full dignity and importance. The period of five hundred years, which has almost elapsed since the twenty-fifth of Edward I. does not alleviate their anxiety, or satisfy their zeal. They wish to trace the origin even of burgal representation throughout all the dark labyrinths of Saxon and Norman antiquities. The natural prejudices of a free country, it is always disagreeable and often dangerous to oppose: but it may surely be remarked, without giving the most ardent friend to ancient liberty the smallest offence, that if taxation and representation are so inseparably connected, as some political writers are desirous of inculcating, boroughs could have no representatives in the earlier part of the English history; for this plain reason, that they were not liable to parliamentary taxes. For, above a hundred years after the Norman invasion, no tax was laid upon personal effects, by which alone the boroughs could be materially affected. Indeed, before the reign of Edward I. or, at least, of Henry III. very few instances occur of impositions upon personal property. Whatever right therefore the towns and boroughs originally might have, in consequence of the free principles of the Saxon government, to partake in the legislative power of the country, it is certain, that, for many years after the conquest, it was unnecessary for them to be loaded with the burden and expence of sending representatives. Instead, therefore, of carrying on so abstruse, and, after the lapse of such a number of years, so unimportant a controversy, it were better to contend, who should pay the sincerest tribute of gratitude, to those patriots, whose exertions established the rights and privileges of England. It ought ever to be remembered, that, to the zeal and prudence of Langton, Archbishop of Canterbury, the great charter was principally owing; and that, to the undaunted spirit and manly

⁵³ See Brady on boroughs, edit. 1777. p. 68. Hume, vol. ii. p. 272.

perseverance of Humphry Bohun, earl of Hereford, the constable, and of Roger Bigod, earl of Norfolk, the marshal of England, the passing of that statute ought to be attributed, which, by annihilating for ever the royal prerogative of imposing arbitrary taxes upon the subject, laid the true foundation of a limited monarchy, without which every other right and privilege were in vain.

EDWARD II.

The reign of Edward II., comprizing a period of about twenty years, is remarkable for the inconsiderable taxes levied upon the subject. The power of the crown to raise money, in virtue of its own prerogative, having been completely abandoned by his father, it is not to be supposed that it could possibly be regained, under the administration of a son in every respect his inferior: and, as Edward's misconduct in government, and his attachment to unworthy favourites, did not entitle him to any great pecuniary assistance from his people, they had some little consolation in the lightness of their taxes, for the disgraceful calamities of his unfortunate reign.

Among the other events, which contributed to heap dishonour on the government of this monarch, the loss of Scotland was unquestionably the most important. It is natural for a native of that part of the island to imagine, that Edward's character could not be materially tarnished, for failing in an attempt to subdue that country, defended as it was by a gallant nation, renowned, both in ancient and in modern times, for its fortitude and valour. Their resistance, however, would probably have been ineffectual, had Edward endeavoured to complete the conquest of that country immediately after his accession, before the Scots had recovered their spirit, or had received assistance from their allies on the continent. But, though Edward succeeded to the crown on the 7th of July 1307, the battle of *Bannockburn*, on which the reduction of Scotland depended, was not fought till the 25th of June 1314: and thus Robert the Bruce and his subjects enjoyed an interval of about seven years, and had time sufficient to acquire strength, discipline, and experience. The subsidies granted to this monarch were principally intended to carry on his wars against the Scots, the success of which yielded no encouragement

ment to his subjects to furnish him with supplies for any other purpose whatsoever.

The new mode which Edward I. had discovered, of increasing his revenue by duties upon commerce, occasioned so much jealousy, that in the famous ordinances, which were enacted *anno* 1311, for the better government of the kingdom, they were entirely abolished. By one article, the tax of Butlerage was prohibited to be collected; and by another it was declared, that natives only should be employed in the collection of the customs; some foreigners, to whom that branch of the revenue was farmed, having been guilty of extortion. Customs.

It was also enacted, that the money which the remaining branches of the customs yielded, should be appropriated to the maintenance of the household, that the king might be enabled to live upon his own revenue, without being reduced to the necessity of oppressing his subjects⁵⁴. In the second year of his reign, he had imposed, after his father's example, two shillings a tun upon foreign merchants, in addition to what they had formerly paid; and as this tax was exacted without the sanction of parliament, it gave rise to much suspicion, and, probably, was the reason why the articles above-mentioned were so particularly insisted upon. For it was a principle in the law of England, that levying new customs, or adding to the old, could only be done either by parliament, or *consensu mercatorum*; and imposts laid on by the royal authority alone, were called *Maltoltes*⁵⁵, or evil duties, by which trade was materially injured, and which it was necessary, therefore, to take the earliest opportunity to abrogate and repeal⁵⁶.

The anxiety of the English nation to achieve the conquest of Scotland, made them cheerfully submit, in the reign of this monarch, to an imposition of so dangerous a nature, that it was expressly provided in the grant, that it should not be made a precedent for any similar demand in future. By this singular grant, which took place *anno* 1316, every village, town, and city in the kingdom, was ordered to furnish a certain New tax.

⁵⁴ Mort. Hist. vol. i. p. 498. Note.

⁵⁵ Some writers have supposed, that *Maltoltes* were duties upon malt; and others, a species of excise, without considering, that custom-house duties were then as much dreaded as excises are now.

⁵⁶ Noy's Rights of the Crown, p. 77 & 80. Gilb. Excheq. p. 272. 275.

number of stout, and well-armed soldiers, in proportion to its wealth and ability, provided with subsistence for sixty days; after which, they were to be maintained at the expence of the crown. In addition to this tax, a fifteenth part of the moveables of the laity was granted, to render the conquest more secure. But the season was past: for the battle of Bannockburn had previously established the independence of that country.

Forests.

An attempt was made by Edward and his ministers, to increase the public revenue, by cultivating the forests belonging to the crown. In his second year, a commission was granted to farm out such waste lands, *si absque injuria alterius fieri potest*; and in his fifteenth year, a great part of his woods were let for rent. The idea, however, was not then pursued. But it is hoped, that a plan, of which it was said of old, "That it would increase many thousand families for the public service, " would bring many thousand pounds into the public coffers, and " would convert much waste land, to habitations of christians," will be no longer neglected⁵⁷.

EDWARD III.

The reign of Edward III. is, without doubt, the most splendid in the English history, for warlike achievements. Besides many important victories obtained by himself, his son the Prince of Wales, the general whom he employed, and even his Queen Philippa, boasted of exploits, which would have adorned any other æra, but which were all lost in the superior lustre of those of Cressy, of Sluys, and of Poitiers. His subjects were so dazzled by his valour and success, that they willingly subjected themselves to the most exorbitant taxes; and with reason asserted, that they had gone beyond all the commons in the world, in liberality to their sovereign⁵⁸.

Grants.

A variety of parliamentary grants, under the usual denominations of tenths, fifteenths and twentieths, were received by Edward; and some taxes in kind were also granted him, as the ninth sheaf, the ninth lamb, and sometimes a subsidy in wool. But in the forty-fifth year of his reign, there was a tax of a very particular nature, which is recorded also

⁵⁷ Noy's Rights of the Crown, p. 61.

⁵⁸ Rot. Parl. 50 Edward III. Num. ix. vol. ii. p. 322.

as the first instance of any specific sum of money having been voted by Parliament. It was a grant of 50,000*l.* for carrying on the war with France. To raise this sum, every parish in England was assessed in the payment of 1*l.* 3*s.* 4*d.* each, the greater to assist the less; and it was supposed, that there were parishes enough in the kingdom, to make up the complete sum that was required. But so ignorant was the Parliament at that time of the state of the country, and of the number of parochial districts into which it was divided, that, instead of 1*l.* 3*s.* 4*d.* every parish was obliged to pay 5*l.* 16*s.* each⁵⁹. Anno, 1371.

The expences to which this monarch was put, appeared to be so much beyond the natural powers and resources of his kingdom, that it was currently reported, he had discovered the art of making gold from *Raymond Lully*, or some other skilful alchymist⁶⁰. But the only secret which Edward made use of, was to encourage the commerce of his subjects; for he knew well, that the necessary consequence of an increase of trade must be an addition to his revenue. Nay, he found means to raise the customs of the port of London alone to 12,000 marks *per annum*, which was more than the whole customs of England had yielded in the time of Henry III.⁶¹ In the twenty-first year of his reign, many merchants having been robbed and murdered by pirates on the coast of England, it was thought necessary to equip a fleet for the protection of commerce; and in order to raise the money wanted for that purpose, an ordinance was made by the king and peers for levying two shillings upon every tun of wine, and six-pence upon all goods imported, which was only an addition of three-pence in the pound, to the duties formerly laid on by the *charta mercatoria*. But the commons complained, that the manner in which this tax was imposed, was a violation of their privileges, and contrary to law⁶². The second grant of these duties (46 Edward III.) was equally illegal; for it was granted by the citizens and burgesses only, without the concurrence of the knights of the shires, or the peers of the realm⁶³. Perhaps they Customs.

⁵⁹ Stevens, p. 109. 111. Carte, vol. ii. p. 527, erroneously states this tax at 1*l.* 16*s.* instead of 5*l.* 16*s.* *per* parish. It appears from Hutchin's Dorsetshire, Introd. p. 56, that the mistake was not so much in regard to the number of parishes, as to the number of those able to pay the sum assessed.

⁶⁰ Gilb. Exchequer, p. 217.

⁶¹ Noy's Rights of the Crown, p. 86.

⁶² Rot. Parl. 21 Edw. III. Num. xi. vol. ii. p. 166.

⁶³ Ibid. 46 Edw. III. Num. xv. vol. ii. p. 310.

thought themselves justified, from their representing the commercial interest, to authorise the imposition of any tax by which trade alone was affected, without the additional sanction of the other branches of the legislature. The first complete legal grant, therefore, of tunnage and poundage, imposed by full parliament, and extending to natives, was *anno* 1373⁶⁴, since which period, these duties have existed in this country with hardly any exception.

Poll Tax.

The first poll tax upon the natives was granted to Edward. It was a duty of four-pence a-head for every man and woman beyond fourteen years of age, beggars only excepted⁶⁵. The clergy also granted twelve-pence for every beneficed person; and four-pence for all other religious persons, excepting Mendicant Friars, who professing poverty, were not supposed able to furnish supplies. Either the laying on of this tax, or the oppressive manner in which it was collected, occasioned much discontent⁶⁶, and ought to have prevented a second attempt of the same kind, and the fatal consequences which resulted from it in the following reign.

Exactions.

But Edward's great undertakings were of too expensive a nature to be carried on, either by the ordinary revenues of the crown, or by the grants, however liberal, which he received from parliament. Accordingly, his exactions were loudly complained of. The famous statute, *De tallagio non concedendo*, was far from being strictly observed. It is said, that he imposed arbitrary talliages upon his domains; that he seized the money and effects of the merchants or bankers of Lombardy, who, since the expulsion of the Jews, had followed the same usurious practices, with the same detestation and obloquy. He is also accused of having been the first who attempted to raise money by the pernicious mode of erecting monopolies; of having extorted loans; of compelling such of his subjects as possessed estates to the value of forty pounds *per annum*, to take the order of knighthood; nay, of seizing the goods of his subjects, and selling them for his own behoof, giving the owners security for payment at a distant day, and at a price inferior to their value⁶⁷.

⁶⁴ Rot. Parl. 47 Edw. III. Num. xii. vol. ii. p. 317.

⁶⁵ Ibid. 51 Edward III. Num. xix. vol. ii. p. 364.

⁶⁶ Mort. vol. i. p. 614.

⁶⁷ Stevens, p. 105. 110. Hume, vol. ii. p. 490; and Noy's Rights of the Crown, p. 64. 66.

Foreign
plunder and
resources.

But England alone could not furnish, at that time, an income adequate to the expensive enterprizes which Edward had undertaken ; and it must be confessed, that he endeavoured, as much as possible, to make his wars feed themselves, by plundering the countries through which his armies passed, or forcing the miserable inhabitants to pay heavy military contributions. Having taken in battle the kings of France and Scotland, their ransoms amounted to a sum which it was very convenient for Edward to receive. By the treaty of *Bretigny*, the king of France's ransom was fixed at three millions of crowns of gold, equal to 1,500,000 *l.* of our present money, of which, however, only one-half was actually paid⁶⁸. The king of Scotland's ransom was only 100,000 marks sterling, which, though a smaller sum, yet was equally exorbitant, considering the inferior extent and opulence of his dominions. But the greater part, if not the whole of it, was discharged⁶⁹. Nor were other resources wanting : for he also received 50,000 *l.* sterling from the duke of Brabant, as the portion of his daughter Margaret, the intended bride of Edward the prince of Wales ; and, it is said, 30,000 *l.* *per annum* from Ireland, after defraying the establishments necessary for its government and protection⁷⁰.

D. bts and
difficulties.

Notwithstanding the wealth which, from so many sources, poured itself into Edward's coffers, and the splendour of the greater part of his reign ; yet, on the whole, the events of it will furnish no inducement to any monarch to aspire to the character of a conqueror, who coolly considers the difficulties to which this king was reduced, the debts with which he was encumbered, and the unfortunate conclusion of his reign. Though every means that could be devised for raising money, to carry on his various undertakings, was adopted without hesitation or remorse, he still found himself in the greatest perplexity and distress. His queen pawned her jewels, and he himself was reduced to the necessity of giving the great crown of England in security for the money which he borrowed ; a gage which remained unredeemed for the space of eight years. Nay, he is represented, as asking the permission of his foreign creditors, to pass over to England ; and of pledging his royal word, to return to the continent, if he was unable to procure the money

⁶⁸ Hume, vol. ii. p. 469, and note K. p. 510.⁶⁹ Mort. vol. i. p. 605.⁷⁰ Stevens, p. 124.

necessary

necessary to satisfy their demands. But the conclusion of his reign, in particular, formed a miserable contrast to its former lustre. Not only were all his conquests (Calais only excepted) torn from him, but the ancient patrimony of his family on the continent was confined to the narrow bounds of Bayonne and Bourdeaux; and he who had desolated every province of France; who had taken its sovereign prisoner, and who had filled Europe with his renown, was glad to accept of any terms that his enemies condescended to offer⁷¹. Thus the same monarch, who, in the earlier part of his reign, had conquered the dominions of others, towards its close, began to tremble for the safety of his own. These public miseries were aggravated by distresses of a private nature, which it does not come within the compass of this work to relate.

Consequences
of extortion.

It is impossible too frequently to inculcate the doctrine, that more revolutions have arisen from the extortions of a sovereign, than from any other political cause whatsoever; and the reign of Edward unfortunately furnishes us with an important instance of the truth of that proposition. His son, Edward the prince of Wales, had undertaken an expedition to Spain, for re-instating Peter, surnamed the Cruel, upon the throne of Castile; an enterprise which he speedily accomplished with his usual success. But the ungrateful tyrant refused to defray the charges of the expedition; and Edward was reduced to the necessity of demanding, from his subjects in Aquitaine and Gascoigny, a sum of money to discharge the debts which he had incurred. This he proposed to do, by levying the tax called Fuage, or Hearth-money, which, at a livre per hearth, it was calculated would produce 1,200,000 livres. But the attempt was attended with the most fatal consequences. It filled the whole dominions of England, on the continent, with a spirit of revolt; and the French, taking advantage of an alteration so greatly in their favour, flew to arms; and in a little time, by the conquests they acquired, made ample amends for their want of success in their former hostilities against Edward⁷². Thus England found then, what it has also lately experienced, the difficulty of long retaining distant acquisitions; and thus the levying of a trifling impost, occasioned of old a revolution of as much importance to this country, in its consequences, as the independence of America. At the same time, it is to

⁷¹ Hume, vol. ii. p. 482.

⁷² Ibid. vol. ii. p. 478.

be remarked, that the success of the French, on this occasion, was owing, not only to the assistance of those who were exasperated at the proposed impost, but also to the lingering illness with which the prince of Wales was afflicted, and to the imprudent confidence of the English, who thought themselves invincible.

It is said, by a very intelligent author, that the revenue of the crown, in the twentieth year of the reign of Edward, amounted to $\text{£. } 154,139 : 17 : 5$ *per annum*. He mentions it upon the authority of a Pell of that year, which it is probable he has seen⁷³. But we are not told where it is to be met with, or what were the particular sources from which that income arose.

Amount of
the revenue.

RICHARD II.

This monarch succeeded his grandfather, Edward III. at a very early period of life; and, as naturally might be expected, the seeds of future misery were laid during the course of his long minority. For his subjects grew turbulent and factious; nor did he receive an education to fit him for his high station, or the critical circumstances into which he was led, partly by his own imprudence, and perhaps still more from the temper of the times.

The tax, known by the name of *Subsidy*, was first attempted in the second year of his reign. The object of the tax was to save the poor, and to lay the principal burden upon the rich. It was levied partly by a poll, and partly by a tax upon income. The dukes of Lancaster and Brittany, paid ten marks each; every earl was charged four pounds; every Baron forty shillings, &c. But the great body of the people, merchants, artificers and husbandmen, were assessed a greater or lesser sum, *according to the value of their estates*⁷⁴. This system, however, was too favourable to the indigent, to be much relished by the wealthier part of the community.

The first sub-
sidy.

Anno 1379.

Notwithstanding the discontent which the poll tax, levied in the reign of Edward III. had occasioned, Richard's ministers did not profit by the experience that circumstance might have afforded; and the necessities of the state requiring a greater sum (160,000*l.*) than ever had

Poll tax.

⁷³ Forst. on Customs, introd. p. 31. ⁷⁴ Rot. Parl. 2 Ric. II. Num. 14. vol. iii. p. 57.

been formerly demanded from an English parliament, the rich became desirous of throwing a part of so heavy a load upon their poorer neighbours; and it was at last determined to levy a poll tax of twelve-pence upon every person in the kingdom, of whatever condition or estate, above fifteen years of age, mere beggars only excepted. Some indulgence the indigent were to receive; but it could not be very considerable, as no person was to be charged above sixty groats, including the tax he was to pay both for himself and family⁷⁵.

Rebellion.

This mode of taxation had ever been odious to the English nation; and, in the present instance, it was so directly opposite to the principles on which the subsidy above-mentioned had been founded, that it soon excited the greatest discontent. By the former tax, the great men of the kingdom were assessed in a sum which bore some proportion to their property and wealth. But by the new mode, the greatest peer of the realm, however opulent, could not be charged with more than sixty groats or twenty shillings. Nor was this all; for the tax, instead of being collected by the King's officers, was farmed out to contractors in the different counties, who levied it with equal insolence and severity. The patience of the people was at last exhausted. They flew to arms; and having chosen Tyler, Straw, and others for their leaders, they seemed determined to bring about a total revolution in the country. The insurrection, however, was fortunately quelled when it was least expected, and without much bloodshed; and the king, though at that time only sixteen years of age, acted on the occasion with such judgment and spirit, that he impressed his subjects with the most favourable hopes of the future splendour and happiness of his reign⁷⁶. Nor were their fond expectations diminished, when, upon taking the government into his own hands, he voluntarily remitted some subsidies which had been granted to him; an event of which the English history does not furnish another example for many years after⁷⁷.

Exactions.

The miserable end of this monarch's reign is well known; and though more tyrannical sovereigns have sat upon the throne of England, and have died in peace, yet it can hardly be disputed, that his subjects had sufficient grounds to be dissatisfied with his conduct. He pro-

⁷⁵ Rot. Parl. 4 Ric. II. num. 15. vol. iii. p. 90.

⁷⁶ Hume's Hist. vol. iii. p. 10.

⁷⁷ Ditto, p. 24.

cured, from a garbled parliament, the subsidy on wool, leather and woollens exported, *for life*—the first instance of such a grant, and which was considered as a baneful precedent for the future. He extorted considerable sums from his wealthiest subjects, by way of loan, which it was dangerous for them to refuse, and ruinous to pay; and under the pretence, that several counties had engaged in rebellious practices (notwithstanding a general pardon had been granted by act of parliament), he threatened them with the severest marks of his displeasure, if they did not compound for their offences: and they were actually compelled to sign blank bonds, in those days called *ragmen*, which the king filled up in any manner, and with any sum he thought proper⁷⁵. After all, the money which he obtained, either from the bounty of his people, or by means of extortion, instead of being laid out for the glory and advantage of his kingdom, was either thrown away upon the minions of his court, or wasted in maintaining an enormous household, amounting, it is said, to 10,000 persons; of whom 300 were employed in the very kitchens of the palace. But, notwithstanding all these circumstances, he would probably have continued upon the throne of England, had he not found in his kinsman, Henry duke of Lancaster, an enemy, whose ambition nothing but a crown could gratify, and whose character, spirit, and abilities were fully equal to any attempt, however bold, desperate, or flagitious.

Under the government of the Saxon line, or house of Plantagenet, Conclusion. no inconsiderable progress was made in the knowledge of finance. The necessity of converting military services into pecuniary aids was discovered. Taxes began to be laid upon personal as well as real property. The customs came to be accounted a considerable and important branch of the revenue, and the clergy were compelled to furnish contributions for the public service; nor was the sanction of the pope any longer accounted necessary for that purpose. New modes of taxation also were attempted; and though some of them were ill contrived and unproductive, yet it proves the strong anxiety of those who were entrusted with the government of the country, to provide an effective revenue, adequate to the support of that high and distinguished rank, which England was entitled to hold among the kingdoms of Europe.

⁷⁵ Carte, vol. ii. p. 628. Mort. vol. i. p. 657.

C H A P. VII.

Of the Revenue of England during the Government of the Houses of Lancaster and York.

THE æra, to the investigation of which this chapter is dedicated, considering its duration, is the most calamitous period of the English history, from the Norman invasion. It includes a space of about eighty-six years, the greater part of which was spent in a bloody and destructive contest for the government of the country, between the two rival houses of Lancaster and of York; both of whom, at different periods, were successful. The first monarch of the House of Lancaster, (for that family came earliest to the throne) paved his way to it, by forcibly deposing his legal sovereign; and endeavoured to render his crown secure, by the murder of that unfortunate prince; but in vain; for his government was perpetually disturbed by a series of dangerous insurrections. His son, Henry V. though a successful warrior, and though it is probable, had his life been prolonged, that he must have succeeded in his views of subjugating France, nevertheless wasted the blood and treasure of the nation, in pursuit of an enterprise, which, if successful, might have proved destructive to the liberties and to the national importance of England as an independent kingdom. With respect to the remaining monarchs of the two rival houses, their history is nothing but a constant series of battles, bloodshed, crimes, horror, anarchy, and confusion, scarcely to be paralleled in history.

Events, however, which at first sight appear so ruinous and destructive, were, notwithstanding, attended with consequences in some respects beneficial. The contest for the crown, between rivals of the same rank and pretensions, rendered it necessary for both to court the favour of the people, and, when possessed of the government, to pay every possible attention to their liberties and rights. During the whole period, no attempts were made to infringe upon the articles of Magna Charta, or to impose any tax without the sanction of Parliament; whereas, it is

probable,

probable, that a race of monarchs, whose title to the crown was unquestionable, and who had no competitors for the throne, might have easily stifled the liberties of this country in their earliest infancy, before they had arrived at that maturity and vigour, which they have since fortunately acquired.

In the course of this bloody contest, it is impossible to learn, without regret, that the greatest and noblest families of England, whose gallant actions we read of in the earlier part of our history, with equal pleasure and respect, were almost totally annihilated: but, perhaps, this circumstance also materially contributed to produce that free and popular form of government which we now enjoy. For, if the ancient nobles had continued in their original affluence and splendour, in vain would the commons have endeavoured to raise themselves to any degree of importance in the State. They must have sunk under the superior lustre and opulence of the peerage, and could never have attained that independent power, and that extensive weight and influence which they at present possess, and which has so much contributed to the prosperity and happiness of the country.

The union of France and England, under the government of one sovereign, had it been effected by the efforts of Henry V., or his successors, would have proved a fatal circumstance to this island. The one kingdom must have become a dependent province on the other; and it is hardly possible to suppose, that England would not have been rendered subservient to a country, in which, both from considerations of policy and of pleasure, the sovereign would naturally have resided¹. That event, the contest between the two rival houses probably prevented; and although the saying of *Abbot Suger*, minister to Lewis le Gros King of France, has, as yet, been verified, “that it was neither agreeable to nature or reason, that the French should be subject to the English, or the English to the French²,” yet such was the hold which England at that time had over some of the most fertile provinces of France, and so martial

¹ By the treaty of marriage between Elizabeth and the Duke of Anjou, if their descendants succeeded to the crowns of France and England, the sovereign was obliged to reside in England, only eight months every two years. *Mort.* vol. ii. p. 397.

² *Lytt. Hist.* vol. i. p. 123.

were the English during the whole period which is now under our consideration, that a junction of the two kingdoms would probably have been effected, if the warlike spirit of the English had not been wasted in domestic quarrels, and if their dissensions had not furnished the French with an easy opportunity, not only of conquering the possessions of England on the continent, but also of securing the affection and fidelity of the inhabitants, before the English were able to attempt the recovery of the provinces they had lost.

Perhaps, also, the inutility and uncertainty of foreign conquests, and the miseries attending domestic wars, so visible during this æra, might first give the English that attachment to commerce, and those habits of industry for which the nation has been so long conspicuous. At least, by such speculations as these, the mind is furnished with some consolation, amidst the detail of the various calamities to which England was then subject, whether they are surveyed as delineated in the philosophic pages of Hume, or as drawn from the life, in bold and unfading colours, by the masterly pencil of Shakspeare.

Revenue of HENRY IV.

This monarch was the son of John of Gaunt or Ghent, Duke of Lancaster, fourth son of Edward III.; and he would have enjoyed an hereditary title to the crown, after the death of Richard, if Lionel, Duke of Clarence, Edward's third son, had not left descendants behind him, whom the House of York lineally represented. But no one dared to mention the pretensions of that family, though their right had been solemnly recognised by parliament: for Henry, at that time, enjoyed the favour of the nobles, and of the people, and the command of a formidable army. He mounted the throne, therefore, without opposition, and filled the vacancy, which his own intrigues had effected, in a manner that proved him not unworthy of the crown, had it not been obtained by violence and usurpation.

Customs.

During this, as well as the former reign, the revenue of the Customs became more and more productive, in consequence both of an increase of trade, and of an addition to the duties. Richard had received a grant
of

of three shillings upon every tun of wine, and one shilling upon goods³. But Henry did not venture to demand more than a tunnage of two shillings, and a poundage, first at seven-pence, and afterwards at eight-pence, until the fourth year of his reign, when the duty of three shillings *per* tun, and one shilling *per* pound, was again revived: a circumstance with which the king was so much delighted, that he gave both lords and commons a magnificent entertainment upon the occasion⁴. Special care, however, was taken, not to give this monarch a grant of the customs for life; and one year was suffered to elapse without any grant of them at all, in order to prove that this branch of the revenue was not the property of the crown, but proceeded entirely from the good-will and bounty of the people.

A tax upon places and pensions, and grants from the crown, was also imposed in this monarch's reign. It was enacted by the famous *Parliamentum indoctum*, or lack-learning parliament, into which no individual conversant in the law was admitted. By the statute, the king was empowered to take one year's profits of all annuities, fees, or wages, granted to any person since the reign of Edward III. (certain ministers of state, the judges, and other officers in the courts of justice, only excepted), together with all revenues alienated from the crown, unless either granted to the royal family, or confirmed by act of parliament: and all patents of pensions, or annuities for life, since the 40 Edward III., were ordered to be brought in and examined, that such as were undeservedly bestowed might be revoked⁵. Place tax.
Anno 1404.

In the course of Henry's reign, we have several instances of the tax known by the name of Subsidy. It was properly a tax on income, whether it arose from real or personal property: and, as it comprehended, in one grant, the principal modes formerly practised of raising a revenue, namely, by scutage and by talliage, it was both more equal and more productive. Subsidies.

The curiosity of our historians has been not a little awakened, to know the particulars of an imposition of so singular and of so dangerous a nature, that it was granted upon this condition alone, that it Singular subsidy.

³ Gilb. p. 280. Forst. p. 38. N. B. These authors differ as to the years.

⁴ Stevens, p. 135.

⁵ Rot. Parl. 6. Henry IV. num. 14. Vol. iii. p. 547.

should

should not be made a precedent of for the future. Nay, according to *Walsingham*, it was to be kept concealed from posterity; no evidence of it was to be preserved in the treasury or in the exchequer; and every writing or memorial regarding it, was to be burnt⁶. This tax is farther represented to have been, "A monstrous birth shewn to the world, to let it know what could be done, and concealed by historians, that the world might not know what may not, or ought not to be done⁷." To discover this hideous monster, the public records were carefully examined by a judicious historian; who informs us, that this unprecedented tax was nothing but a subsidy upon real and personal property, amounting to twenty shillings upon every knight's-fee: twenty pence upon every twenty pounds a year in lands; and one shilling in the pound upon money and goods⁸. And, with regard to the clause prohibiting it to be made an example of for the future, it was not unusual when any important grant was made at that time.

Attack on the church.

The doctrines of Wickliffe began in the reign of this monarch, as they had done in the time of his predecessor Richard, to spread a spirit of reformation in the church, not only in England, but on the continent; and, as this spirit gave rise to a plan for enriching the crown, by the plunder of the church, which had nearly taken effect in the reign of Henry, it may not be improper to give a connected view, of the origin and progress of an event, so singular and important.

The clergy, by their own proud and haughty behaviour, gave rise to the idea. It was first openly declared in the year 1385, when Richard II., having assembled a parliament in order to procure a supply, found the laity willing to grant one-fifteenth and a half, provided one-tenth and a half were given by the clergy. This conditional offer they thought proper to resent; and *Courtney*, Archbishop of Canterbury, declared, "That the clergy were free, and were only to be taxed by themselves; and that he would sooner lose his head, than suffer the holy church of England to be reduced under the servitude of laymen." So haughty an answer roused the indignation and resentment not only

⁶ Hist. Ang. p. 369, 370.

⁷ Nat. Bacon's discourses, part ii. c. 13, p. 60. Month. Rev. vol. xiv. p. 43.

⁸ See Carte's Hist. vol. i. p. 660. Parl. Hist. vol. ii. p. 82. It appears from Rot. Parl. 5 Henry I. num. 33. vol. iii. p. 529, that a subsidy was granted.

of the commons, but of many of the peers, who affirmed, that it was necessary to humble their pride, by seizing the temporalities of the clergy, and that nothing would render them useful to the State but reducing them to poverty. The king, however, interposed: he declared himself the champion of the church, and, by his influence, the project, for that time, was totally defeated⁹.

The next attempt originated, not in parliament, but in a military council. It is well known, that Henry IV. had obtained an important victory at Shrewsbury, in which the gallant Percy, known by the name of Hotspur, and all the other leaders of that dangerous insurrection, were either killed or taken prisoners. Henry's finances were exhausted by the expences he had incurred in quelling this revolt; and he was totally unable to provide for the maintenance of some troops necessary to stop the progress of the Welsh, who had made an incursion into England. In this emergency, his principal officers proposed that he should seize the money, and the valuable equipages of those prelates who served in the expedition. And the proposal would probably have been agreed to, if *Arundel*, who was then Archbishop of Canterbury, and a man of spirit and resolution, had not boldly declared, "that they should win "with blood whatever they got from him:" and the times were too critical to quarrel with so high-spirited and powerful a subject¹⁰.

But the most dangerous attack was made by the *Parliamentum indoc-tum*. It was the second parliament that had been assembled that year, and it was held under the pretence that the preceding parliament had not been sufficiently liberal in its grants. The commons were stung by the reproach, and represented to the king that his necessities might be provided for without burthening the laity, by seizing the temporalities of the churchmen, and applying them to the public use: they added, that the riches of the clergy made them inattentive to their duty, and that, diminishing their exorbitant revenues, would prove equally useful both to the church and State. But the nation was not yet ripe for so important an innovation; and the clergy were headed by the same prelate who had formerly withstood the commons, and who was determined not to suffer the rights of the church to be easily infringed¹¹.

⁹ Burn's Eccles. Law, *vide* Monasteries. Stevens, p. 120.

¹⁰ Mort. vol. i. p. 675.

¹¹ Parl. Hist. vol. ii. p. 83.

In the course of this dispute, it was stated, that the church possessed 18,400 ploughs of land, and that its revenue amounted to 485,000 marks a year; and the commons proposed, in a parliament held at Westminster, *anno* 1410, to divide this property among fifteen new earls, fifteen hundred knights, six thousand esquires, and a hundred hospitals, subject to 20,000*l.* a year, for the use of the king¹². Perhaps the inconsiderable portion which it was intended the crown should receive, was the principal obstacle to its success.

But the dangers with which the church was environed, were not yet brought to a crisis: for, in the second year of the reign of Henry V., the same project was renewed: the commons again proposed to seize all the revenues of the church, and to appropriate them to the use of the crown¹³. The clergy, however, escaped, by giving up all the alien priories, and by diverting the attention of the king and of the people, from the internal government of the country, to those plans of conquest and of empire which were afterwards pursued. Thus the wealth of the clergy was reserved for the plunder of Henry VIII., and proved a material inducement with that monarch to bring about the reformation, or, at least, to put an end to the authority of the pope in England, and to make a considerable reduction in the opulence of the church.

Household.

The expensive household which Richard had maintained, was a circumstance peculiarly obnoxious to his subjects; and indeed had principally given rise to the oppressions of his reign. Henry was determined to give, on this head, every possible satisfaction: and, accordingly, he at first restricted the establishment of his household to 10,000*l.* But, in the eleventh year of his reign, he found it necessary to increase it to 16,000*l. per annum*¹⁴.

Anno 1404.

Jealousy of
the parlia-
ment.

The jealousy which the commons entertained of the crown at this time, in regard to its revenue, is worthy of particular attention. In two different instances, they allowed Henry only 6000*l.* for his own use, appropriated the remainder of their grant to public services, and appointed their own treasurers, who were answerable for the money they received, and were obliged to give in an account of their disburse-

¹² Hume, vol. iii. p. 81. Parl. Hist. vol. ii. p. 114.

¹³ Hume, vol. iii. p. 91. Parl. Hist. vol. ii. p. 136. ¹⁴ Noy's Rights of the Crown, p. 5. ments

ments to parliament: and when Henry proposed, *anno* 1410, that a grant should be given him of a tenth from the clergy, and a fifteenth from the laity, *for his life*, under the pretence of saving them the trouble of meeting annually for that purpose, the artful and insidious proposal was indignantly rejected¹⁵.

Henry IV.'s income, in the twelfth year of his reign, is said to have amounted only to the sum of 48,000*l.* *per annum*, including the subsidy of wool, and the tenths of the clergy¹⁶. But this is a point which it will be proper to discuss in a subsequent part of this chapter.

Amount of
his revenue.

H E N R Y V.

It is natural to indulge a considerable degree of curiosity, to ascertain what resources a monarch was possessed of, who attempted the conquest of France, and had almost accomplished an enterprise of such difficulty and moment: for, although many circumstances had taken place favourably to his views, and he had reaped very important advantages from dissensions among the French, and from his alliance with the royal family, yet he could never have accomplished what he did perform, without funds of great pecuniary value: and as historians have rather depreciated the extent of his revenue, it is the more necessary to consider, first, what temporary grants he received from parliament; and secondly, what was the probable amount of his annual income.

Hume, who seems to be desirous of increasing the admiration which his readers must naturally entertain of Henry's achievements, by placing his finances in the lowest and most contemptible point of view, has stated that all the extraordinary supplies, granted by parliament during the course of Henry's reign, amounted only to seven-tenths and fifteenths (about 203,000*l.*); and he mentions, at the same time, that Henry's army amounted to six thousand horse, whose pay was two shillings a day; and twenty-four thousand archers, who received sixpence *per* day each¹⁷. The expences of such an army, therefore, must

Grants.

N

have

¹⁵ Mort. vol. i. p. 706. ¹⁶ Noy's Rights of the Crown, p. 4. Stevens, p. 140.

¹⁷ Hist. vol. iii. p. 120. But it appears, from the authority quoted, Parl. Hist. vol. ii. p. 174, and 175, that the parliamentary grants amounted to nine-tenths and a third, and nine-

HISTORY OF THE PUBLIC REVENUE

have amounted to 430,000*l. per annum*; and consequently, all Henry's grants, joined together, would have been exhausted in less than six months. But, in the first place, the grants given to Henry were greater than this historian states; and, in addition to them, he received considerable assistance from the clergy, and the entire revenues of 110 monasteries in England, dependent on certain abbeys in Normandy, which the English clergy had sacrificed for the security of their own possessions.

Amount of
his revenue.

There is also reason to believe, that historians have fallen into an error with regard to Henry's annual income, which is said to have amounted only to 55,754*l. 10s. 10½d.*" ; " and with this weak supply " (according to Voltaire), he undertook the conquest of France."

The record on which this idea of Henry's revenue is founded, may be seen in Rymer". It is not a little defective; but its omissions may be supplied, from the full and particular account of the income of the crown, which was laid before parliament *anno 1433*". From a comparison of the two records the following statement is drawn up.

Amount of HENRY V.'s annual Income.

| | | | | | |
|--|---|---|----------|----|-----|
| 1. To the parva custuma on wool | - | - | £ 3,976 | 1 | 2 |
| 2. To the magna custuma on ditto | - | - | 26,035 | 18 | 8½ |
| 3. To the parva custuma on goods | - | - | 2,438 | 9 | 1½ |
| 4. To the subsidy of tunnage and poundage | - | - | 8,237 | 10 | 9½ |
| | | | <hr/> | | |
| | | | £ 40,687 | 19 | 9½ |
| 5. To the casual revenue, arising from escheats, the court of wards, &c. | - | - | 15,066 | 11 | 1 |
| | | | <hr/> | | |
| Total, according to Rymer, | | | £ 55,754 | 10 | 10½ |

nine-fifteenths and a third, which would, at least, amount to 270,000*l.*: nay, it is said, by an old historian, that 300,000 marks, or 200,000*l. sterling*, were given by the clergy and laity, to enable the king to begin his enterprize. *Parl. Hist.* vol. ii. p. 147.

²⁸ Hume, vol. iii. p. 120. *Volt. Gen. Hist.* vol. ii. part iii. c. 8. *Mort.* vol. ii. p. 192. *Noy's Rights of the Crown*, p. 5 and 6. *Davenant*, vol. iii. p. 100.

²⁹ *Fœdera*, vol. x. p. 113.

²⁹ *Rot. Parl.* vol. iv. p. 433.

To

OF THE BRITISH EMPIRE.

91

Brought over £ 55,754 10 10½

To be added²¹:

| | | | |
|-------------------------|---|---|---------------|
| 1. Fee farm rents | - | - | £ 3612 11 3 |
| 2. Alien priories | - | - | 277 5 0 |
| 3. Dutchy of Cornwall | - | - | 2788 13 3 |
| 4. South Wales | - | - | 1139 13 11 |
| 5. North Wales | - | - | 1097 17 3 |
| 6. County of Chester | - | - | 764 10 2 |
| 7. Manor of Shotwick | - | - | 33 6 8 |
| 8. Ireland | - | - | 2339 18 6 |
| 9. Dutchy of Lancaster | - | - | 4952 13 3 |
| 10. Dutchy of Aquitaine | - | - | 808 2 2 |
| 11. Profits of Calais | - | - | 2866 1 0½ |
| 12. Revenue of Windfor | - | - | 207 18 5 |
| | | | <hr/> |
| | | | 20,888 10 10½ |
| | | | <hr/> |
| | | | £ 76,643 1 8½ |

Many of these articles must have yielded more in the reign of Henry V. For it appears, that in his son's minority, the management of revenue, and of public affairs in general, was miserably neglected²²; and, on the whole, it is probable, that this monarch's income might amount to about 80,000 *l. per annum*, equal to 160,000 pound weight

²¹ These articles were liable to various deductions in the reign of Henry VI. as specified in the record; but it is probable that such encumbrances did not exist in the reign of Henry V.

²² The following articles, in the account of Henry VI.'s revenue, are supposed to include those which are called *casual*, in the record which Rymer has published.

| | | | |
|---|---|---|----------------|
| The farms of counties, green wax, &c. | - | - | £ 5,676 10 8 |
| Escheats | - | - | 500 0 0 |
| Rents of lands in wardship | - | - | 1,604 19 11 |
| Rents of the Dutchy of Norfolk | - | - | 1,333 6 8 |
| Other estates in the hands of the crown | - | - | 983 7 5 |
| The Hanaper office, and a variety of other articles | - | - | 3,237 15 2 |
| | | | <hr/> |
| | | | £ 13,335 19 10 |

As the customs had fallen in their produce about 10,000 *l.* in the reign of Henry VI. it is not to be wondered at, that these casual revenues should also diminish in their amount.

of silver, which, by the cheapness of provisions at that time, would be equivalent to 500,000*l.* of our present specie.

Customs.

It is said, that Henry V. was the first monarch, who had the subsidies on the exportation of wool and leather, and the duties of tunnage and poundage, joined together, granted him *for life*²³. But Forster remarks, though the fact is true, yet that Coke, and other eminent lawyers, are mistaken in the roll, which is commonly adduced in proof of that assertion²⁴.

H E N R Y VI.

There is hardly any instance in the history of England, or indeed of any state, the government of which has not acquired an uncommon degree of firmness and stability, of a prince's succeeding to the throne in his infancy, in which his reign did not prove the source of infinite misery both to himself and his subjects. It is therefore the less surprising, that though Henry VI. was born with the most splendid prospects of any prince in Europe, they should all be blasted by the immaturity of his age. He was scarcely nine months old when he lost his father; and though he was crowned the sovereign both of France and England, he lived to see himself without a crown, a subject, or a home.

Grants.

The beginning of this monarch's reign was not burdensome to his English subjects. It is said, that only one subsidy was granted during the course of seven years, from 1437 to 1444, and that the loss of France was greatly owing to the scantiness of the supplies²⁵. The parliament was probably apprehensive, that England might be made subservient to France, if the conquest of that country was completed, and perhaps might also be desirous of rendering themselves popular by their public frugality.

Customs.

After some temporary grants of tunnage and poundage, these duties were at last given for Henry's life²⁶. They were continued at the same rate as formerly to natives, with this distinction in their favour,

²³ Hume, vol. iii. p. 111.

²⁴ Introd. p. 39. It is granted by 3 Hen. V. Rot. 5. Vol. iv. p. 63.

²⁵ Hume, vol. iii. p. 167. Note [Y].

²⁶ 31 Hen. VI. An. 1454.

that.

that aliens were to pay as much again as natural born subjects: "The law justly keeping (says a writer upon that subject) a watchful eye over persons that had not that same kind of natural instinct, if I may so say, to a country, which all subjects are supposed to have"²⁷.

Several subsidies, or pound rates, were granted to Henry, particular- Subsidies.
ly in the tenth, fourteenth, and twenty-seventh years of his reign. In the latter subsidy, there was a judicious gradation in the tax. For every person possessed of only twenty shillings *per annum*, and from thence to twenty pounds, was charged but six pence in the pound; but from twenty to two hundred pounds yearly, one shilling in the pound; and all estates above two hundred pounds *per annum*, were to pay two shillings²⁸.

During the whole course of this reign, not only strangers who occasionally came for the purposes of trade, but also such as took up their residence in the country, were the objects of general odium; and the consequence was, that poll taxes were laid upon them, from which the natives of the country were exempted. This plan was first carried into execution in the eighteenth year of Henry, when a tax was imposed on aliens, who were not denizens, of sixteen pence each, if they were householders; but if otherwise, only six pence. The same tax was renewed in the twenty-seventh year, with an additional tax of six shillings and eight pence on merchant strangers, and twenty pence on each of their clerks²⁹. But the heaviest duty took place in the thirty-first year of his reign, when a poll-tax of two pounds each was laid upon foreigners, not denizens, *during the king's life*; merchants who landed in the realm, and who had resided there six weeks, were charged twenty shillings; denizen householders, ten marks, or 6*l.* 13*s.* 4*d.* each³⁰.

Henry, and his ministers also, found means to raise money from foreigners by other measures besides parliamentary taxes. First, by permitting James I. of Scotland to return to his own kingdom; and, secondly, by ransoming the Duke of Orleans, who had then been detained in captivity, ever since the battle of *Agincourt*, and was at last released, upon paying 54,000 nobles, equal to 36,000*l.* sterling of our money³¹. With regard to the king of Scotland, as he was not a

²⁷ Forst. Introd. p. 40. ²⁸ Rot. Parl. 28 Hen. VI. Num. 12. vol. v. p. 172.

²⁹ Ibid. 27 Henry VI. Num. 14. vol. v. p. 144.

³⁰ Ibid. 31 Henry VI. Num. 10. p. 230.

³¹ Hume, vol. iii. p. 178.

prisoner of war, it was impossible to demand a ransom from him: but 40,000 *l.* was exacted by way of equivalent for the entertainment he had received in England; of which sum, it is probable that 10,000 marks remitted were in consequence of the second article of the treaty, and as much more abated by way of portion with a relation of Henry's, to whom James was afterwards married. The remaining 40,000 marks were exacted; and thus a prince who, in time of profound peace, was driven into the port of a neighbour by distress of weather, was detained in his dominions for many years, and after all was compelled to pay a considerable sum of money for his maintenance, previously to his release.

Benevolence.

In the twentieth, or, according to some authors, in the twenty-second year of his reign, the king required a *benevolence* for the purpose of defending Calais, at that time in imminent danger. These contributions were originally accounted perfectly free and voluntary; they were called *liberalitas populi* by Richard I. *cavalitas* by such of his successors as attempted to raise them; and proceeded according to Henry the Fifth's confession, *ex spontanea voluntate, ac de jure vindicari non possunt*. But the instructions given by this monarch to his commissioners for procuring the benevolence, contained a very different doctrine. It is there stated, that by law he could compel all his subjects, at their own charges, to attend his wars; but that he was willing to spare such as would contribute as much as two days personal service would stand them in, according to their rank and quality. Thus he publicly declared, that if they did not tax themselves, money would be exacted from them, by other means much less pleasing³².

Amount.

There is extant in the rolls of parliament, a very particular account of this monarch's revenue³³, from which it appears, that the annual produce, in consequence of the decrease of the customs, and mismanagement in the collection, had fallen to 64,946 *l.* 16 *s.* 4 *d.*; and such were the deductions from it, and the expences of government, that the charges exceeded the receipts 35,000 *l.* *per annum*. Nay, it was afterwards declared in parliament, that the income of the crown was reduced, by grants, pensions, and otherwise, to only 5000 *l.*³⁴.

³² Stevens, p. 157. Cotton, p. 177. Noy's Rights of the Crown, p. 48.

³³ Rot. Parl. vol. iv. p. 433.

³⁴ Ibid. 28 Henry VI. Num. 53. vol. v. p. 183.

During

Distresses.

During Henry's minority, the revenues of the crown had been greatly diminished by the arts and negligence of those who were in power, and in consequence of the expences incurred in carrying on the war against France, which were principally defrayed from the income of the crown, the parliament furnishing very little assistance. Nor were matters much amended when the king took the government into his own hands : for he suffered himself to be defrauded by his ministers, who devoured the greatest part of his revenues, and who, in the words of an ancient record, gave away the rights, possessions, and profits of the crown, *in the manner of a spoil*³⁵. Different steps were taken by parliament, and by his council, to improve the king's situation. In the parliament held *anno* 1450, a full resumption was made, of all the grants which had taken place since the death of Henry V. To prevent the king from wasting his revenues, his council advised him to convey to the archbishop of Canterbury, in trust, all the profits of wards, marriages, relief, escheat, and forfeitures, to defray the expences of the household³⁶; and in the twenty-ninth year of his reign, those expences were reduced by parliament to 12,000 *l. per annum*; whereof 2000 *l.* was paid out of the queen's jointure, or separate estate³⁷. His debts, at the same time, amounted to the enormous sum of 372,000 *l.*; towards the payment of which, the parliament was obliged to give some assistance; and his reign furnishes one of the first examples in the English history, of a debt being contracted on that species of security³⁸.

E D W A R D IV.

This prince (the first of the house of York that ascended the throne) was at last fortunate enough to recover the rights of his family, after a long, severe, and bloody contest. And, perhaps, it is the only example in history, of one family driving another from the throne, who had possessed it sixty years; after having been for that space of time in

³⁵ See Noy's Rights of the Crown, p. 23. The duke of Suffolk, was accused by the Commons, of having embezzled 60,000 *l.* which had been left by his predecessor, in the office of treasurer. Rot. Parl. vol. v. p. 181.

³⁶ Noy's Rights of the Crown, p. 23.

³⁷ Ibid. p. 16.

³⁸ Hume, vol. iii. p. 215. See part ii. chap. iii. where it will appear, that the practice may be traced to a still more ancient period.

the power of its rival, and having often sworn allegiance to it. But, as on the one hand, nothing could exceed the simplicity and weakness of Henry's character; so on the other, Edward's valour, spirit, and activity, were scarcely to be equalled.

Resumption. The disgraceful poverty to which the crown had been reduced, rendered a resumption of the crown lands a natural mode for Edward to pursue, in order to increase his revenue; and, in fact, the plan (which was insinuated by Edward himself, in a speech from the throne) was readily agreed to by his parliament. Edward's domains had been previously increased by the forfeited estates of no less a number than one hundred and forty of the principal nobility and gentry of England, who had supported the house of Lancaster. It is probable, however, that what was seized from the adherents of that family, he was often under the necessity of bestowing on his own friends, as a reward for their services and attachment.

Grants. Six tenths, and as many fifteenths, with three quarters additional of each, were obtained by this monarch from his parliament, together with different specific sums from the maintenance of a body of archers; and a yearly subsidy upon foreigners, whether denizens or aliens. But the sums which he received were very inadequate to the various expences he was put to, and which a young and gallant monarch, like Edward, would naturally be inclined to incur³⁹.

Benevolence. In the first year of his reign, he had received from the clergy a *benevolence*, or, in the words of the record, a *voluntary subsidy*⁴⁰: but a partial contribution of that nature was insufficient when he engaged in a war with France; and accordingly, in the twelfth year of his reign, he endeavoured to procure a general benevolence, or free gift; and sending for all the wealthiest persons in his dominions, he laid his necessities before them, and earnestly entreated their assistance. This measure is said to have produced a very considerable sum. Many contributed to avoid being supposed parsimonious, and others, that they might not seem disaffected, and consequently bring upon themselves the king's displeasure and resentment. Some did it out of affection to his person and family, whilst others could not resist the obliging manner in which their aid was requested. A ludicrous incident, which took place with

³⁹ Stevens, p. 160 and 161.

⁴⁰ Ibid. p. 161.

regard to this benevolence, has been often related. A rich widow, advanced in years, was personally applied to by Edward for her benevolence. She was so much pleased with the manner in which the request was made, and the gracefulness of Edward's person, who was supposed to be the handsomest man in his time, that she immediately answered, "*By my troth, for thy lovely countenance, thou shalt have even twenty pounds.*" The sum was so very considerable, that the king thought himself bound to give the old lady a kiss, in token of his satisfaction, who was so much delighted with that unexpected mark of the royal attention, that she added twenty pounds to her former donation⁴¹.

The consequence of Edward's expedition to the continent, was a peace with Lewis XI. by which that monarch became bound to pay Edward 75,000 crowns (to indemnify him for the expences he had been put to), and an annuity of 50,000 crowns, for their joint lives. It has been much disputed, whether this annual payment should be called a tribute, or a pension. The first would imply the subjection of France to this country, which it is impossible to suppose could be really meant by the agreement; and the name of pension, would infer bounty on the part of France, and dependance on the part of England, which was equally absurd and ridiculous. In the acquittances given for this annuity, it is called *census*: and, in fact, it was an infamous bargain, which none but such a king as Lewis would have agreed to, and which, considering Edward's mighty boasts and preparations, did him very little credit⁴².

Annuity from
France.

This disgraceful end of the expedition to France, had filled the nation with so much discontent, that the king did not think proper to apply to parliament for any pecuniary assistance, and was reduced to the necessity of having recourse to other means for supplying his exchequer. It is said, that he adopted some very oppressive expedients for that purpose, which the historians of this reign have not thought proper to communicate. But it is known, that those whose titles were in any respect defective, which might be expected in consequence of so much internal confusion, were obliged to pay considerable sums of money for a confirmation of their grants; and the church complained of the exorbitant

Extortions.

⁴¹ Parl. Hist. vol. ii. p. 364.

⁴² Hume, vol. iii. p. 257. Stevens, p. 163.

finer he demanded for the restitution of temporalities, and of his disposing of the profits of such bishoprics as happened to become vacant⁴³.

Merchandise.

Edward had twice solemnly pledged himself, first, in the seventh, and secondly, in the twelfth year of his reign, to live upon his own revenues, and not to burden his people⁴⁴. Among the various plans he pursued to preserve that pledge inviolate, may be considered his engaging in commerce, and carrying on merchandise to a considerable extent⁴⁵. Such a system other sovereigns have pursued; and a monarch who has the absolute government of his kingdom, and who, in consequence thereof, can secure a monopoly of any commodity he chuses to deal in, may trade to advantage; but, in general, this circumstance may be considered as the certain mark of an indigent prince, and of an oppressed and barbarous people.

Household.

During the whole of this reign, the expences of the king's household were a perpetual source of complaint. Edward had promised to refrain such charges within proper bounds⁴⁶. But the hospitable manner in which the kings of England lived at that time, rendered any material reformation very difficult to be effected; and after all the promises which he had made, of living upon his own income, parliament was obliged to allow 11,000 *l. per annum* out of the customs, and other public revenues of the kingdom, to assist him in defraying these expences⁴⁷.

EDWARD V.

This unfortunate prince succeeded his father, when only about twelve years old; and though he has a place in the catalogue of our kings, it can hardly be said, that he actually reigned. The government of the country, it is true, was carried on in his name, for the space of about two months; but, during that period, no parliament was held, nor did any material transaction take place. His uncle, Richard duke of

⁴³ Carte, vol. ii. p. 796.

⁴⁴ Noy's Rights of the Crown, p. 13. 32, & 33.

⁴⁵ Mort. vol. ii. p. 116. Carte, vol. ii. p. 796.

⁴⁶ Noy's Rights of the Crown, p. 13.

⁴⁷ Rot. Parl. 22 Edward IV. Num. 2. vol. vi. p. 199.

Gloucester,

Gloucester, employed the whole time in carrying on machinations for his own aggrandisement; and being proclaimed king, vainly endeavoured to secure the power he had acquired, by the murder of this helpless monarch, and of his brother the duke of York, the only males of that family, who stood between him and the throne.

R I C H A R D III.

A tyrant, who paves his way to the throne by deceit, treachery and murder, cannot expect to enjoy much happiness from the power which he has acquired, and soon finds that he has immersed himself in an endless series of crimes, for the possession of very precarious and short-lived authority. Of this, Richard's reign, which continued for the space only of two years and two months, furnishes us with a memorable instance; as it proves, that valour and ability, though united, are not sufficient to preserve a crown on the head of an usurper.

Richard's title to the crown, was grounded upon principles so contrary to the constitution of England, and so subversive of every tie by which both private and public societies are linked together, that he sedulously endeavoured, by every popular art, to ingratiate himself with the people, and with that view having assembled a parliament, he procured an act to abolish, for ever, that mode of exaction, called Benevolence, which had not a little alarmed the public, on account of the illegality of the practice, and the great extortion which it had occasioned⁴⁸.

Abolition of
benevolences

The only grant which Richard received, during the short course of his reign, was that of tunnage and poundage for life⁴⁹. Indeed the customs had become so important a branch of the revenue, that no monarch, however frugal, or however anxious to acquire popularity, could carry on the government without the additional income which they afforded.

Grants.

To Richard, it is probable may be ascribed the first attempt to establish posts in England. The plan was originally formed in the reign of his

Posts.

⁴⁸ See act 1 Rich. III. cap. 2. Yet this tyrant afterwards exacted a benevolence himself. Parl. Hist. vol. ii. p. 410.

⁴⁹ Rot. Parl. 1 Ric. III. vol. vi. p. 238.

brother Edward, when stages were placed at the distance of twenty miles from each other, in order to procure Edward the earliest intelligence of the events that passed in the course of a war, which had arisen with the Scots. But Richard commanded in the expedition; and as it was a project which seems more likely to have occurred to a man of his sagacity and talents than to his brother, the merit of it ought probably to be given to Richard, in whose reign the practice was extended over the greater part of the kingdom⁵⁰. But his abilities and his valour were equally fruitless. For after a short reign he was slain, fighting gallantly at the decisive battle of Bosworth.

Conclusion.

It is hardly necessary to sum up, at the conclusion of this chapter, the little progress that had been made in the science of revenue during the period to which it relates. It was a time too full of bloodshed and confusion for any advancement whatever to take place in any branch of the civil department. It is remarked, however, by a great historian, that during the course of the contest between the two rival houses, not an instance can be produced of any tax being imposed without the sanction of parliament. That important law in the constitution came thus to be unalterably fixed, and could not afterwards be safely broken through by any monarch, however bold or daring, or whatever authority he might have acquired in other matters⁵¹.

C H A P. VIII.

Of the Revenue of England under the Government of the House of Tudor.

A Variety of circumstances contributed to mark out the accession of the House of Tudor, as one of the most important eras in the history of England. By the marriage of Henry VII. who was

⁵⁰ Mort. vol. ii. p. 127.

⁵¹ Hume, vol. iii. p. 122.

acknowledged to be the representative of the royal branch of Lancaster to Elizabeth, daughter of Edward IV. and heirs of the line of York, the fatal contest between the two houses was brought to a conclusion. The English, no longer distracted by domestic strife and discord, were enabled to turn their eyes towards the continent; and instead of confining themselves to the narrow transactions of their own island, began to take an active concern in the general politics of Europe. Henry's encouragement of commerce, and his plans for reducing the power and opulence of the ancient nobles, and for exalting the Commons on their fall, proved the means of introducing internal changes of the greatest and most essential importance. The same æra boasted the discovery of the East and West Indies, and America, by which a total revolution was effected in the ideas of individuals, and in the views of states. In a word, to this period may be traced the seeds of that political system, which has ever since engaged the attention, and occupied the thoughts of the principal powers of Europe. Nor is it of less importance with respect to the general object of this work; for, in proportion as the scene became more extensive, greater pecuniary aids were required, than England had been accustomed to supply; and new sources of revenue consequently became necessary.

Revenue of Henry VII.

It is remarked, by a great historian, that in the reign of Henry VII. the English were considerable losers by their ancient privilege, which secured them from all taxations, except such as were imposed by their representatives in parliament¹. But the justice of this observation there is great reason to doubt; for if Henry's avarice was such, that it broke through every restraint of law, to what height would it not probably have been carried, had it been subject to no limitation whatsoever? His appetite, like his power, would have known no bounds, and not only the rich, and those who were immediately under the eye of the sovereign and his agents, would have been pillaged, but every

¹ Hume, vol. iii. p. 389.

creek would have been ransacked, nor would the poorest cottage in the remotest corner of the kingdom, have been exempted from his rapacity.

Customs.

Henry, like his predecessor Richard, obtained a grant of tunnage and poundage for life², and the customs became ever after, a permanent branch of the royal income. The tunnage was at the rate of three shillings to natives, and six shillings to merchant strangers; and the poundage at the rate of a shilling on all merchandise exported and imported, tin only excepted, for which aliens were to pay two shillings. No alteration was made during Henry's reign, except an additional duty of eighteen shillings per butt laid upon malmsey, imported by merchant strangers, in consequence of a tax imposed by the Venetians upon the shipping or commodities of this country³.

Grants.

Henry received considerable grants from the different parliaments he assembled in the course of his reign; and he always found them obsequious. Even the people paid any moderate tax, or any imposition to which they had been formerly accustomed, or which the exigencies of the state required, without murmur or complaint. But the king was sometimes so exorbitant in his demands, and his parliaments were so prodigal of the public money, that it gave rise to very dangerous insurrections.

Northern insurrection.

A parliament had met, *anno* 1487, to furnish the king with a supply, for the purpose of enabling him to give effectual assistance to the dutches of Brittany; and a grant (about the nature of which historians differ) was accordingly voted. But the amount and weight of the subsidy, joined to the general harshness and unpopularity of Henry's government, excited such discontent among the inhabitants of Yorkshire and Durham, that a rebellion suddenly broke out. The earl of Northumberland, who refused to countenance the insurrection, was slain by the insurgents, and they seemed determined to carry on their daring enterprise with the greatest ardor and perseverance: but an engagement having taken place with the king's forces, in which they were unsuccessful, the rebellion was suppressed⁴.

² Rot. Parl. 1 Hen. VII. vol. vi. p. 268.

³ 7 Hen. VII. cap. 7.

⁴ Bacon's Hist. of Henry VII. Edit. 1666. p. 40.

A more serious revolt took place in the year 1497. In a parliament held that year, a subsidy amounting to 120,000*l.* and two fifteenths, had been voted, under the pretence of some incursions of the Scots¹. The inhabitants of the West, who thought themselves secure from any attack on that quarter, and who considered the northern barons as bound, by the tenure of their possessions, to repel such inroads, murmured not a little at the imposition, and the inhabitants of Cornwall, in particular, flew to arms. Their numbers were so formidable (amounting to above 16,000 men), that until they ventured to approach the capital, they met with no resistance. But in a battle fought near Blackheath, the king's troops gained a complete victory; and 2000 of the insurgents expiated their rebellion with their blood².

Cornish rebellion.

Though by an act in the reign of Richard III. Benevolences had been for ever abolished, yet as he was deemed an usurper, his laws, it was asserted, were consequently invalid; and Henry ventured, on two different occasions, to have recourse to this unpopular mode of levying money, though, according to Lord Bacon, he did not venture to revive it, until he had procured the consent of parliament³. It is generally supposed that archbishop Morton was the author of the proposal; and a clause inserted in the instructions given by him to the commissioners for levying the tax, which is commonly known by the name of Morton's fork or crutch, has been often quoted. All descriptions of men (he told the commissioners) must contribute largely to the king's supply: for such as are sparing must be enriched by their frugality, and cannot therefore have any excuse; whilst those who live in a splendid and hospitable manner, should pay in proportion to their expenses. Considerable sums of money were levied by these means. The city of London alone paid 9,688*l.* 17*s.* 4*d.* and Henry was artful enough to have the exaction legally authorized by an act of parliament, which empowered him to demand any sum that had been offered, by way of composition, for the Benevolence, and had not yet been paid⁴. *Anno*

B. benevolence.

¹ Bacon, p. 92.

² Parl. Hist. vol. ii. p. 452.

³ Hist. of Henry VII. p. 58. Hume (vol. iii. p. 350. note U.) supposes that Bacon was mistaken, but the contrary appears from 11 Henry VII. cap. 10. intitled, A remedy or means to levy a subsidy or benevolence before granted to the king.

⁴ See act 11 Henry VII. cap. 10.

1504, the second benevolence was levied, which, however, was not so productive: for the people were dissatisfied with such repeated exactions, and knew well that he had no occasion for money at that time, being at peace with all his neighbours, and having his coffers full⁹.

Feudal aids. The parliament 1504, was principally assembled to raise an equivalent for two well-known feudal aids, which Henry was entitled to demand, in consequence of the marriage of his eldest daughter to James IV. king of Scotland, and his eldest son Arthur (who died soon after) having been made a knight. These were the two greatest and most expensive solemnities to which feudal lords were liable, when that system was at its height; and hence, by an ancient custom, their vassals were bound to furnish them with some pecuniary assistance, though, in strict propriety, it ought never to exceed the real charges they were put to. But Henry was resolved to take advantage of any pretence to fill his exchequer, and therefore obtained from parliament 31,006*l.* 4*s.* 7*d.* as an equivalent for these aids; and this sum, instead of being furnished by the immediate vassals of the crown, who alone were legally liable, was levied upon the whole community, whether possessed of personal or of real property, and was thus rendered particularly obnoxious¹⁰.

Merchandise. Henry, who thought no gain, however inconsiderable, beneath his notice, made some profit also by letting out ships for hire, and even by lending money, upon interest, to merchants, whose stocks were not adequate to the enterprises they had in view¹¹. Nay, so strong was his desire to promote the commerce of his subjects, that he is said to have lent money without interest when it was really necessary¹².

Money from foreigners. Among the other means which this monarch made use of to increase his wealth, may be included the sums of money which he drew from foreign nations; the great object of the French, at that time, was the acquisition of the province of Brittany; and it was at last effected, greatly owing to Henry's avarice and neglect. For the dutchess of Brittany, unsupported by the king of England, was compelled, how-

⁹ Hume, vol. iii. p. 389. ¹⁰ See Rot. Parl. 19 Hen. VII. Num. 11. vol. vi. p. 532. In p. 535, there is a particular account of those who were to pay these aids in each town and county.

¹¹ Noy's Rights of the Crown, p. 176.

¹² Hume, vol. iii. p. 401.

ever,

ever reluctantly, to marry Charles VIII. of France, to whom she had an aversion; and thus her dominions were again annexed to that powerful monarchy. Henry was desirous of receiving, at least, some consolation by the money which the king of France would pay to secure so valuable a possession; and he actually obtained 745,000 crowns, equal to 186,450*l.* sterling, in lieu of certain claims he had boldly urged, though they were far from being well founded¹³. Two hundred thousand ducats were also given by Ferdinand king of Spain, with his daughter Catherine, married first to Arthur, the king of England's eldest son, and after his death, to Henry his second. The king's principal inducement to celebrate the second marriage (an event productive of infinite misery both to his posterity, and to his subjects), was, to avoid refunding the considerable portion he had received from Ferdinand.

Henry renewed the old mode of extorting money, by compelling persons possessed of forty pounds a year in land, either to receive knighthood, or to compound in its stead. And the rights which he enjoyed as the feudal lord, and superior of the kingdom, proved, under his government, an endless source of exaction, to which every proprietor of land was exposed. But in the latter part of his reign, a general system of oppression was not only begun, but resolutely persevered in. Every penal law, however ancient, or however injurious to the public interest, was rigorously enforced; and Empson and Dudley, two able, but rapacious judges, employed by Henry, as ministers to fleece the people, thought no expedient that yielded money, however bold, mean, or fraudulent, too infamous to be pursued. In the strong words of Bacon, "*they converted law and justice, into wormwood and rapine*."¹⁴

As Henry received more money, and spent less than any of his predecessors on the throne of England, it is natural to expect, that he must have left him behind a very considerable treasure; and in fact, it amounted to 1,800,000*l.* equal to 2,750,000*l.* of modern money. Indeed, considering the increased price of commodities since that time, and the great augmentation of specie, this sum was equivalent to, at least, eight millions¹⁵.

¹³ See Parl. Hist. vol. ii. p. 447. He also received an annual tribute, or pension, of 25,000 crowns.

¹⁴ Hist. of Hen. VII. p. 119.

¹⁵ Bacon, p. 132. Hume, vol. iii. p. 389.

at present. Some authors have magnified his treasure to four millions and a half in bullion, besides plate and jewels ¹⁶; but that calculation is totally incredible.

Remorse.

Henry found, however, that his immense treasures could not administer to him, either consolation or assistance, in the hour of sickness, and on the bed of death. His arts, and his extortions, then appeared in their real colours. All the means that could be devised, to allay the terrors of a guilty conscience, were tried in vain; and yet his contrition was either so weak, or his avarice still so predominant, that he could not be prevailed upon, during his own life, to make any reparation to those whom he had injured; and his son, notwithstanding the strict injunctions which he received, was equally loath to part with any share of the plunder that had been amassed. Empson and Dudley, indeed, the instruments of his father's oppression, were publicly executed to gratify the people. But that was a poor recompence for the many exactions to which the nation had been subjected, in the course of their administration ¹⁷.

H E N R Y VIII.

Whilst the history of the reign of Henry VIII. remains unexpunged from the annals of this country, it is impossible for the people of England, to undervalue the happiness and security, which necessarily results, from a free constitution. They may perceive, by a review of his imperious and arbitrary sway, to what miseries they would have been subject, had the same tyrannical system been continued; and they may thence learn to encounter any danger, however great, in order to preserve that limited form of government which shields them from a thousand oppressions, and from which so many important advantages are derived. In particular, they will find, from Henry's history, that absolute governments are necessarily accompanied with the most intolerable financial exactions, and that the wealth of the people is often wantonly sacrificed, to gratify the passions of the sovereign, or the caprices of his ministers.

¹⁶ *Restauranda*, by Fabian Phillips, p. 24, who says, that Lord Salisbury specified that sum to king James. See also Stevens, p. 171.

¹⁷ Hume, vol. iii. p. 411.

As Henry had so great a treasure left him by his father, he had no immediate occasion to apply to parliament for pecuniary assistance. But, no sooner was it squandered, than many considerable grants were obtained under various denominations; the particulars of which, are not sufficiently interesting to the present times to require being enumerated. But the circumstances attending one grant are of so very singular a nature, that it is proper to mention them. A parliament was assembled in the year 1523, to raise supplies for carrying on a war with France, into which Henry, at the instigation, and indeed to serve the purposes of Wolsey, had rashly entered. The Cardinal had pledged himself for the obsequiousness of the House of Commons; and, fully impressed with ideas of his own dignity and importance, he came personally to the House, and after making a long harangue to prove the urgency of the king's necessities, concluded with requiring a grant of 800,000 *l.* payable at the rate of 200,000 *l. per annum*, for the space of four years¹⁸. So exorbitant a demand had never been heard before within the walls of that house; and the court met with a firmer and stronger opposition than was expected. Only one half of the sum was voted, to which, afterwards, a small addition was made, in consequence of a circumstance which evinces the manner in which Henry treated his parliaments. Finding that the bill of supply had met with such unexpected obstructions, he sent for Edward Montague, a lawyer of distinguished eminence, and one of the greatest leaders of the House, and briefly told him, that if the supply did not pass, his head should answer for it in the morning¹⁹.

Grants.

In a speech which Wolsey made to parliament, the increase of the customs is mentioned as a strong proof of the increasing wealth and opulence of the kingdom; and it is certain, that tunnage and poundage were paid during the whole of Henry's reign. There is some difference of opinion in regard to the manner in which these duties were granted. Hume states, that Henry had levied them for six years by his own authority, without any sanction from parliament²⁰. But Gilbert asserts, that

Customs.

¹⁸ Hume, vol. iv. p. 47.

¹⁹ Parl. Hist. vol. iii. p. 35. This anecdote, however, is only traditional.

²⁰ Hist. vol. iv. p. 272.

they were expressly given by parliament in the first year of his reign²¹.

Poll-tax.

In the fourth of Henry, a poll-tax was granted in addition to other impositions. A duke was charged ten marks; an earl four pounds; a baron two pounds; a knight thirty shillings; and besides other rates every person of fifteen years of age, and upwards, was charged four pence²². This tax, which was imposed with some degree of attention to the wealth and station of the different ranks of the people, was paid without much opposition.

Feudal prerogatives.

The feudal prerogatives of the Crown, were becoming every day less profitable. A perpetual struggle was maintained between the superior and the vassal, in which the latter was generally the most successful; and, among other artifices, it became, at last, a common practice entirely to evade the payment of any feudal incident, by making a trust settlement of an estate. For, on the one hand, it was said, that the Lord Paramount could not attack the trustee, who held it for the behoof of another; and on the other, it appeared, that the real proprietor was not in possession of the property, and consequently could not be made liable. In some degree, to remedy what was then considered as a very dangerous abuse, Henry proposed, that every man should be permitted to dispose of one half of his landed property in trust, and that the other half should be subject to the former incidents of the feudal tenures. This compromise, though agreed to by the Lords, was rejected by the Commons. But such was the subjection under which parliament was held by the daring and imperious Henry, that it never ventured to oppose his will without having reason to regret it. On this occasion, he procured a decision of the judges in his favour, and not long afterwards, the Commons were reluctantly compelled to agree to an act, by which it was declared, that the person who reaped the use, or enjoyed the profits of the estate, should be deemed the proprietor²³. Thus, instead of the half, the whole of their lands were again made subject to these feudal burdens.

²¹ Treatise on the Exchequer. Appendix, p. 286. He says, the roll is not printed. At any rate, the act 1 Hen. VIII. cap. 5. is sufficient.

²² Lords Journal, vol. i. p. 25.

²³ Hume, vol. iv. p. 108 and 151, 27 Hen. VIII. cap. 10. See also 32 Hen. VIII. cap. 1.

At the time of which we are now writing, England was unquestionably the richest jewel in the papal crown. Besides the uncertain income arising from indulgences, dispensations, &c. the pope was thought entitled to the duty called Peter's pence, and to the first fruits and tenths of all the benefices in the kingdom. The annates, or first-fruits, was a tax which the pope received as an equivalent for the first year's profits of every spiritual preferment, originally introduced into the kingdom in the reign of king John, whose misconduct had reduced him to a total subserviency to the church of Rome. It is calculated, that in the space of about fifty years, no less than 160,000 *l.* had been sent from England on account of that claim alone²⁴. Upon Henry's quarrel with the pope, and his being invested with the title of head of the church of England, the first-fruits and tenths were annexed to the revenue of the Crown²⁵. With regard to Peter's pence, and the various modes which had been invented by the church of Rome, of fleecing the people under religious pretences, they had been previously abolished²⁶.

First-fruits
and tenths.

Henry imitated his father's example, in endeavouring to reap pecuniary advantages from the treaties he entered into with foreign powers. Tournay having been taken by the English, 600,000 crowns was demanded previously to its restitution²⁷; and Henry availed himself of the situation to which France was reduced, by the captivity of its sovereign, Francis I. to obtain very lucrative stipulations. But the most singular article of that nature, was contained in a treaty, concluded at London, *anno* 1527, by which Henry agreed to renounce all claim to the crown of France; in return for which, Francis became bound to pay, *for ever*, 50,000 crowns a year, to Henry and his successors²⁸.

Money from
foreign
princes.

Under Wolsey's administration, an attempt was made, which, had it succeeded, would have proved the entire ruin of the liberties of England. It was to raise money by royal proclamation. Commissions were issued for that purpose; and it was intended to exact four shillings in the pound from the clergy, and three shillings and four-pence from the laity. So illegal and exorbitant an imposition, occasioned the greatest clamour and discontent in every corner of the kingdom; and a dangerous rebellion would have followed, if the king had not denied having

Wolsey's
system of ex-
tortion.

²⁴ Black. vol. i. p. 284.

²⁵ 26 Hen. VIII. cap. 3.

²⁶ By 25 Hen. VIII. cap. 21.

²⁷ Hume, vol. iv. p. 14.

²⁸ Ibid. p. 72.

any

any knowledge of the imposition; and publicly declared, that his necessities, however great, should never make him attempt to raise money by any other means than by the voluntary consent of his people, or the sanction of parliament²⁹; a declaration, however, to which he did not strictly adhere, during the middle and latter part of his reign.

Debasing the
coin.

There is no mode, by which a needy and tyrannical sovereign, may acquire inconsiderable sums of money, with greater detriment to his subjects, than by tampering with the coin. From the Conquest, to the reign of Henry VIII., the old standard of fineness had been generally preserved; and, although some base metal had been mixed in our coin, yet the adulterations were gradual, and consequently less pernicious. But Henry, besides enhancing the price of gold and silver to a considerable degree, disgraced himself so far, as to coin base money, and to order it to be current by proclamation³⁰.

Loans.

It was natural for a prince like Henry, reduced to considerable difficulties by his own extravagance, to imitate the example of some of his predecessors, in extorting compulsive loans from his subjects. He began with demanding particular sums from some wealthy individuals; but soon afterwards he imposed a general tax, under the pretended name of a loan, amounting to five shillings in the pound on the clergy, and two shillings on the laity³¹. It is said, that the plan was proposed by Wolsey, who was then in the height of his power; and whose friends, to prove their attachment to him, largely contributed. But they had soon reason to repent of their zeal; for an act was passed, abolishing all the debts which the king had incurred since his accession, in which this loan was included. From various motives, this measure met with a very general concurrence. The friends of the court rejoiced, that the king's debts were annihilated, and the friends of the people, that a mode of supply, so dangerous to public liberty, should be discredited. Nor were either the court, or the nation displeased, that Wolsey's attached friends, who had enriched themselves by their connection with that haughty minister, should thus be impoverished. Notwithstanding

Anno 1523.

²⁹ Hume, vol. iv. p. 61. Parl. Hist. vol. p. 38. Godwin's annals, p. 40.

³⁰ Harris on money and coin, part ii. p. 3. Stevens, p. 209.

³¹ Hume, vol. iv. p. 46.

this abolition, another loan was exacted ; and Henry had even begun to repay some part of the money that he had borrowed ; but his exchequer was not adequate to so great an undertaking ; and he found it necessary to procure another act, which not only freed him from his incumbrances, but by which those who had been paid either in whole, or in part, were obliged to refund any sum they had received³². What rendered the loans in the reign of this king particularly obnoxious, was, that the people were compelled to reveal the extent of their fortune upon oath, and were charged accordingly³³.

Of all the plans which he pursued for raising money, that which passed under the name of a Benevolence, was unquestionably the most tyrannical. To extort money from his subjects, illegally, was not sufficient ; but Henry had the insolence to compel them to give that as a free gift, which was actually forced from them by compulsion. To the first benevolence that was exacted, he himself gave the name of the *Amicable Grant*³⁴ ; yet such as refused to pay the sum that was expected from them, were threatened with punishment. In the thirty-fifth year of his reign, he extorted 70,000*l.* under the same pretence ; and meeting with much opposition from the citizens of London, on whom such exactions were particularly severe, he took care to make an example of two of the most refractory aldermen ; the one, by fine and imprisonment ; and the other, by compelling him to serve in person against the Scots, by whom he was taken prisoner³⁵.

But Henry's extravagance was such, that all ordinary expedients for raising money, and every mode of extortion, that had ever been formerly practised in England, were inadequate to his expences ; and a variety of circumstances concurred to make the wealth and property of the church, a desirable object of his rapacity. The risk which it had run in the reigns of Henry IV. and of Henry V., has already been taken notice of ; and the principles of reformation which Wickliffe preached up at that time, had since met with more encouragement, and been carried to greater lengths under the banners of Luther and of Calvin. Wolfey himself, though a cardinal of the church of Rome, and a candidate for the papal throne, had set the first example of an

Benevolence.

Attack on the
church.³² 35 Henry VIII. cap. 12.³³ Stevens, p. 181.³⁴ Stevens, p. 180. Noy, p. 49.³⁵ Godwin's Annals, p. 111.

encroach-

encroachment upon ecclesiastical property, by procuring a bull to dissolve forty of the lesser monasteries, in order to endow two colleges he proposed to erect at Oxford and Ipswich ³⁶; and Cranmer, who succeeded Wolsey in the confidence of the king with regard to ecclesiastical affairs, detesting the luxurious manner in which the monks lived; and convinced, that they were addicted to many vices incompatible with the strict and austere life they professed, was easily persuaded, that their wealth could be better employed than in ministering to their voluptuousness ³⁷.

Means pursued by Henry.

The means pursued by Henry were highly politic. He first procured, both from his church and parliament, a recognition of his right of supremacy; and then, as head of the church, he appointed Cromwell his vicar-general, and directed him to employ commissioners on whom he could depend, for the purpose of visiting the different monasteries, and of making the strictest enquiry into the lives, morals, and behaviour of those by whom they were inhabited. It is said, that discoveries were made, so unfavourable to the character of these religious hypocrites, as to render their suppression popular with the people, as well as profitable to the crown ³⁸.

Suppression of the lesser monasteries.

The first attack upon the patrimony of the church, was by an act of parliament passed *anno* 1536; by which, under the pretence, that no reformation of the vices of the monks in the lesser monasteries could be effected, but by their dissolution, all such institutions, possessed of revenues under 200 *l.* a year, were given to the crown ³⁹. Three hundred and seventy-six monasteries were suppressed by this act; whose landed property produced above 32,000 *l. per annum*, and whose personal effects yielded above 100,000 *l.* though disposed of greatly under their value ⁴⁰.

Suppression of the greater monasteries.

The wealth which Henry had thus procured was however soon exhausted; and his necessities impelled him to carry still farther a plan at-

³⁶ Godwin, p. 41.

³⁷ Cranmer was convinced, that the reformation could not be carried on, unless the monasteries were suppressed. Burn's Eccles. Law, *vide* Monasteries.

³⁸ Hume, vol. iv. p. 150.

³⁹ 27 Henry VIII. cap. 28.

⁴⁰ Hume, vol. iv. p. 150. Stevens, p. 211.

tended with so much gain. Accordingly, two years afterwards, in Anno 1533. consequence of a second visitation, the greater monasteries were suppressed; and six hundred and five great abbeys, together with ninety colleges, and a hundred and ten hospitals for the relief of the poor, were by one act annihilated⁴¹. The monks, dreading the king's resentment, had, in general, previously delivered up their property into his hands; and all doubts were removed by this act, in regard to the legality of such surrenders.

But Henry was not yet satisfied with the pillage of the church. Under the pretence, therefore, of *regulating the clergy*, many of the bishops were compelled to surrender the landed property of their sees into his hands⁴². No less than seventy manors were taken from the archbishopric of York, and other dioceses suffered proportionably⁴³. The monasteries in Ireland, and the knights of St. John of Jerusalem, were also suppressed; and, to crown the whole, an act was passed, by which Anno 1542. parliament granted to the king the revenues of the two universities; and of all the chantries, free chapels, and hospitals in the kingdom⁴⁴.

It was imagined, that the great value of the religious houses, which were thus suppressed, would have furnished the crown with such an addition to its income, as to render any farther application to parliament for new grants unnecessary. In the reign of Henry IV. the income of the church had been computed at 485,000 marks; and it was supposed, that its revenues must have greatly increased so many years after. But the clergy had been prepared for the blow. With a view of rendering themselves popular, their estates were let at very moderate rates; and, instead of an addition of rent, they were accustomed to exact small fines when the leases were renewed. Besides⁴⁵, the commissioners who were appointed to visit the monasteries, expecting either to procure a grant of some of the lands they surveyed, or to purchase them at low prices, undervalued them as much as possible; and the income of the whole was only given in at 152,517 *l.* 18 *s.* 10 *d.* *per annum*, gross-rent, and was stated at no more than 131,607 *l.* 6 *s.* 4 *d.* net produce, after all deductions⁴⁶. The real value of these possessions, however, was

Other clerical extor-
tions.
Anno 1542.

Anno 1542.

Value.

⁴¹ 31 Hen. VIII. cap. 13.

⁴² 37 Hen. VIII. cap. 16.

⁴³ Stevens, p. 193.

⁴⁴ 37 Hen. VIII. cap. 4.

⁴⁵ Hume, vol. iv. p. 182.

⁴⁶ See a particular account of them, Stevens, p. 213.

inconceivably great. It appears from an account drawn up *anno* 1717, that the annual income of the houses suppressed by Henry, must have amounted to about 273,000*l.*; and at a moderate computation, would now yield at least six millions *per annum*⁴⁷. The abbey of St. Albans, which was valued only at 2500*l. per annum*, possessed estates, which, a century after the suppression, brought in 200,000*l.* a year⁴⁸.

Henry's profusion.

Many suggestions had been thrown out by zealous and public spirited men, to render the revenues of the church useful to the public. Among other plans of a beneficial nature, it was proposed to found seminaries for the study of law; for the acquisition of useful languages; and for the education of those intended for foreign embassies, or to fill the high offices of the state. But Henry's prodigality rendered all such schemes abortive. Instead of sixteen, as he had originally proposed, he was only able to erect six new bishoprics. The immense property he had acquired was soon wasted; in a short time, the crown became as necessitous as ever; and, in consequence of its poverty, again dependent on parliament for support.

Poor's rates.

The suppression of the monasteries, instead of proving, as was expected at the time, a means of freeing the people from the weight of taxes, was the source of one of the heaviest burdens to which this country is at present subject. The monasteries, previous to their dissolution, had been the great asylum of the poor; and it was much apprehended, that the latter would become a load upon the public, in consequence of the suppression of the former. Large quantities of the church lands, therefore, had been sold at easy rates, that the purchasers might be enabled to keep up the hospitality, and charitable donations, which had been practised by their predecessors; and a penalty of 6*l.* 13*s.* 4*d.* *per* month was imposed upon such as failed in the obligation⁴⁹. An attempt was made in the year 1536, to lay this burden upon the secular clergy; the incumbent of every parish being ordered to set apart a considerable portion of his revenue for repairing the church, and for supporting the poor⁵⁰. It is not known how long this regulation continued in force;

⁴⁷ Summary of all the religious houses in England and Wales, at the time of their dissolution, p. 63.

⁴⁸ Stevens, p. 188. 216.

⁴⁹ See 27 Hen. VIII. cap. 28. § 9, 10. Repealed by 21 Jac. c. 28. § 11.

⁵⁰ Hume, vol. iv. p. 170.

but it is certain, that after many other ineffectual endeavours, it was at last thought necessary, to compel the parish where the poor were born; or where they acquired a settlement, to provide for their maintenance: a grievous burden, which, it is supposed, amounts at present to at least three millions *per annum*.

In the reign of Henry, a general survey was made of the whole kingdom; of the number of the inhabitants, their age, professions, wealth, income, and every other important particular that a statesman could wish to be acquainted with. The survey is unfortunately lost; and the only information which it contained, at present known, is, that the income of the whole kingdom was estimated at four millions *per annum*⁵¹. It is remarked, therefore, by Hume, that the landed property of the different monasteries, that were suppressed, was only equal to about a twentieth part of that sum⁵². But it has been already observed, that the real value of these lands was greatly superior.

Survey of the kingdom.

EDWARD VI.

This young prince succeeded to the crown at the age of about nine years. As his reign lasted during the space only of six years and a half, the government must have been in a great measure conducted by the advice of his ministers. Yet, unless the accounts given us by historians are greatly exaggerated, he himself enjoyed no inconsiderable share in the administration. It is at least certain, that he was educated in habits of industry, and of attention to business, which, had his life been prolonged, would probably have made him one of the best and greatest monarchs that ever sat upon the throne of England.

During the greater part of his reign, Seymour duke of Somerset, Edward's maternal uncle, governed the kingdom under the name of Protector. Notwithstanding the endeavours of this minister to acquire popularity, he found it was impossible to carry on the public business without supplies from parliament; particularly, after he had engaged in wars with France and Scotland, which the revenues of the crown, impaired by Henry's prodigality, were by no means able to support.

⁵¹ Hume, vol. iv. p. 47. Parl. Hist. vol. iii. p. 26.

⁵² Vol. iv. p. 132.

In addition, therefore, to tunnage and poundage, some tenths, fifteenths, and subsidies, were applied for, and cheerfully granted.

Tax on sheep. The reign of Edward is remarkable for an attempt to lay a poll-tax upon sheep⁵³: Every ewe, kept in a separate pasture, was charged three-pence; every wether, two-pence; and all sheep kept on commons, three halfpence. But the tax was found so difficult to collect, or so oppressive, that it was repealed in the next year⁵⁴.

**Tax on wool-
len cloth.** England began about this time to make a distinguished figure, as an industrious and commercial nation; and the manufacture of woollens, in particular, was raised to such a height, that it was supposed able to bear an imposition. A tax of eight pence in the pound, therefore, was laid upon all cloth made for sale in England. But this, and the duty upon sheep joined together, were found so oppressive, upon an article which had not arrived at its maturity, that they were both repealed after a short trial, though they had been granted for three years⁵⁵.

French annuity. The kings of England, since the reign of Edward IV. had constantly endeavoured to procure some pecuniary compensation from the crown of France, for the right they claimed to that kingdom. Mention has been made already, of the treaties between the two crowns in regard to this demand. In the reign of Edward, the arrears of the annuity, amounted to two millions of crowns. But the king of France (Henry II.) absolutely refused to pay any part of the sum, declaring, that he would not suffer himself, or his kingdom, to be tributary to any one; and as a treaty was concluded, in which no notice was taken of this claim, it has ever since been considered as totally abandoned⁵⁶.

Sale of Boulogne. The town of Boulogne was the only acquisition which Henry VIII. had made, in a war which is said to have cost the sum of 1,340,000 *l.* sterling. It was a possession which England could not hold without considerable expence, and indeed greater charges than its revenues could at that time afford. As the French were desirous of acquiring it; the parties found little difficulty in coming to an agreement. Boulogne, therefore, and its territories, were restored, in consideration of 400,000 crowns, or 133,333 *l.* 6 *s.* 8 *d.* sterling⁵⁷.

⁵³ 2 & 3 Edw. VI. cap. 36.

⁵⁴ Stevens, p. 225.

⁵⁵ Carte, vol. iii. p. 246.

⁵⁶ 3 & 4 Edw. VI. cap. 23.

⁵⁷ Hume, vol. iv. p. 342. Mort. vol. ii. p. 306.

The difficulties to which the protector was reduced, made him have recourse to the dangerous expedient of debasing the coin. Nay, it is said, that 20,000 pounds weight of bullion was ordered to be coined, so as to yield the king a profit of 140,000*l*.⁵⁷ The usual consequences ensued from so pernicious an attempt. "The good coin was hoarded or exported, base metal was coined at home, or imported from abroad in great abundance; the common people, who received their wages in it, could not purchase commodities at the usual rates; an universal diffidence and stagnation of commerce took place, and loud complaints were heard in every part of the kingdom."⁵⁸ It is remarked by the same historian, that in consequence of the importation of some bullion from Sweden, good specie was again coined, and some of the base metal, formerly issued, was recalled. The Swedes were tempted to send what bullion they could spare into England, in consequence of a treaty of commerce between the two kingdoms; by which they were permitted to export English commodities duty free, provided the price was paid in bullion.⁵⁹

Debasing the coin.

In Edward's reign, an alteration took place with regard to the Customs, which was attended with the most important consequences. A body of foreign merchants, called the Corporation of the Steel-yard, had been erected in the reign of Henry III. and had obtained, by patents from the crown, very valuable privileges. In particular, they were exempted from several duties paid by other aliens, and consequently, enjoyed all the advantages of the natives in England, whilst, at the same time, by means of their connexions on the continent, they had a better opportunity of disposing of their commodities at foreign markets. Edward's ministers were fortunately apprised of all these circumstances; and being convinced how necessary it was to encourage the commerce and navigation of England, they determined to annul the privileges of this foreign company, and persevered in their resolution, notwithstanding the opposition and remonstrances of the principal trading cities in Europe. Aliens duty being thus imposed upon all foreigners without distinction, the natives of the country were led to engage in commerce.

⁵⁷ Mort. vol. ii. p. 456.

⁵⁸ Hume, vol. iv. p. 328. Harris on Coins, part ii. p. 3.

⁵⁹ Hume, vol. iv. p. 349.

cial undertakings with greater eagerness than formerly, with more profit to themselves, and more advantage to their country⁶⁰.

Church
lands.

In the latter end of the reign of Henry VIII. an act had passed for the suppression of all the chantries, free chapels and colleges in the kingdom; and commissioners had been actually appointed to take possession of their revenues. But Henry died before the commission was carried into execution, and it was thought necessary to pass another act, by which no less than 2374 religious establishments were at once abolished, and given to the crown⁶¹. It is declared in the act, that these foundations were thus annexed for purposes of the greatest national utility. They were appropriated for erecting schools; for augmenting the seminaries of learning in the two universities; for the better provision of the poor, and for discharging the king's debts. But as ministers of state were then endowed with deaneries, prebends, and other spiritual preferments, it was easy to perceive into whose hands they would fall. Nor was this the only ecclesiastical plunder in the reign of Edward. For the bishop of Winchester and others were deprived of many of their manors, and obliged to change the property they had, for lands and rights of inferior value. The churches were also searched, and the plate, jewels, and every other article of any value belonging to them (one chalice, and one covering for the communion table alone excepted), were appropriated to the use of the crown⁶².

Poors rates.

The distresses of the poor were in the meanwhile daily increasing; and it became more necessary than ever for the legislature to interfere in their behalf. Accordingly, *anno* 1552, an act was passed, empowering the church wardens in every parish to collect money for their relief; and if any refused to give in charity, or dissuaded others from contributing, the bishop of the diocese was entrusted with discretionary powers to proceed against them⁶³.

Fines.

The loose government which always takes place during a minority, had flattered many of the servants of the crown with impunity, and encouraged them to commit crimes of a very dangerous nature. It was determined to punish them by heavy pecuniary fines, not only as a chastisement for their offences, but that some advantage might be

⁶⁰ Hume, vol. iv. p. 348.

⁶¹ 1 Edward VI. cap. 14.

⁶² Stevens, p. 220. 222.

⁶³ 5 & 6 Edw. VI. cap. 2. Parl. Hist. vol. iii. p. 260.
reaped

reaped by the exchequer. Lord Paget, chancellor of the dutchy of Lancaster, conscious of his guilt, surrendered his office, and paid down 4000 *l.*; and Beaumont, Master of the Rolls, and Whalley, receiver of Yorkshire, compounded for their offences by similar means⁶⁴.

The debts contracted by Edward, had been made use of as a strong argument in parliament, to bestow on him the remaining property of the regular clergy; and some of the lands, thus obtained, were actually sold, and the purchase-money applied to free the crown from those disagreeable incumbrances. But such was the rapacity of Edward's ministers, that they not only appropriated to their own private use the greater part of the property taken from the church, but also defrauded the crown of its domains, and left the king involved in a debt, amounting to above 240,000 *l.*

In the reign of Edward, it became an usual practice to negotiate loans on the continent; for which, it is said, he paid an interest of 14 *per cent.* Antwerp, and other cities in Flanders, were then supposed to be the only places where any considerable sums of money could be borrowed.

Debts.

Foreign
loans.

M A R Y.

The reign of Mary, who succeeded her brother Edward, sufficiently accounts for the detestation in which the English nation has ever since held every attempt to re-establish the Roman Catholic religion in their country, and their dread of having another popish prince seated upon the throne. For, during the whole period, we find nothing but disgrace abroad, and misery at home; the most solemn engagements abandoned; and the interests of her kingdom sacrificed, to gratify her pernicious attachment to the religion of Rome, and to the politics of the Spaniards. Fortunately, her reign scarcely exceeded five years; and it may be considered merely as a foil to display the happy and splendid government of Elizabeth, in more lively, and more durable colours.

⁶⁴ Mort. vol. ii. p. 312. 456.

Grants.

Mary had the duties of tunnage and poundage granted to her for life, by an act which contains the following singular preamble: "In their most humble wife shewn, unto your most excellent majestie, your poore and obedient subjects and commons", &c." The whole is drawn up in a style which tends to justify the right of the crown to tunnage and poundage, without any sanction from parliament, and indeed, if possible, to render that assembly contemptible. As to other grants, she is said to have received in all but five-fifteenths, and three subsidies⁶⁵.

Demefnes.

The landed property of the crown was perpetually suffering some diminution; and an act, particularly fatal to it, was passed *anno* 1588, by which all the grants or sales of the crown lands, which either had been made by the queen, or should be made during the space of seven years posterior, were at once confirmed: a measure which could not fail to produce, and indeed was intended to countenance, a very considerable alienation.

Church lands.

A bigoted queen, like Mary, could not bear to reap any pecuniary advantage from that change in religion which had taken place during the reign of her father, and of her brother. A bill was therefore passed, not only restoring to the church the first fruits and tenths, and all the impropriations which remained in the hands of the crown, but also all the church lands that still continued in its possession⁶⁷. Nay, some new convents and monasteries were founded, notwithstanding the low state of the exchequer. The bishopric of Durham also, which had been suppressed by Edward, was restored to its former condition, and the restitution confirmed by parliament. She knew well how unpopular such measures were; but she declared to her council, "Albeit you may object to me again, that considering the state of my kingdom, the dignity thereof, and my crown imperial, cannot be honourably maintained and furnished without the possessions aforesaid; yet, notwithstanding, I set more by the salvation of my soul, than by ten kingdoms, and therefore the said possessions I utterly refuse here to hold after that sort and title"⁶⁸.

⁶⁵ 1 Mary, cap. 18.⁶⁶ Stevens, p. 234.⁶⁷ 2 & 3 Phil. and Mar. cap. 4.⁶⁸ Stevens, p. 244.

The principles on which Mary acted in ecclesiastical matters, were so generally obnoxious to her subjects, that when an application was made to parliament for a subsidy, it was rejected; and many members declared, that it was in vain to bestow riches upon a monarch, whose revenues were thus wasted⁶⁹. She was therefore obliged to have recourse to tyrannical extortions to replenish her exchequer. *Anno* 1455, by means of embargoes, compulsive loans, and exactions of a similar nature, she raised about 240,000 *l.*; and two years afterwards, contrived to fit out, by the same methods, an armament for the assistance of her husband Philip II. king of Spain; but finding it impossible to supply it with provisions, she seized, for that purpose, all the grain that the counties of Suffolk and Norfolk could furnish, without making the owners any recompence. In short, such was her infatuation for the person and principles of Philip, notwithstanding his indifference and contempt of her, that in order to contribute to his aggrandizement, she made no scruple to tarnish her own character by the most disgraceful rapacity, and sacrifice the essential interests of her crown and kingdom without hesitation or remorse.

Extortions.

Mary imitated her brother's example, in endeavouring to borrow money on the continent. But her credit was so very low, that though she offered 14 *per cent.* interest to the town of Antwerp, for the loan of 30,000 *l.* she could not obtain it, until she had compelled the city of London to join in the security⁷⁰.

Foreign loans.

We are told by Hume, that the revenues of England, in the reign of Mary, exceeded 300,000 *l.*⁷¹. It is questionable, whether the permanent income of the crown amounted to so much, particularly after the churchlands, the first-fruits, and tenths, &c. were restored: even in the twelfth year of the reign of Elizabeth, the profit of the kingdom, exclusive of the wards and the dutchy of Lancaster, amounted only to 188,197 *l. per ann.* The authority quoted by Hume also, is that of a foreign author⁷², and consequently the less to be relied on.

Amount of her revenue.

There is only one circumstance, during Mary's reign, that can give us a favourable idea of her political character; and that is, the voluntary

Remission of a subsidy.

⁶⁹ Hume, vol. iv. p. 422.⁷¹ Hume, vol. iv. p. 433.⁷⁰ Carte, vol. iii. p. 320.⁷² Rossi, *Successi d'Inghilterra*.

tary remission of a subsidy, which had been granted to her brother Edward, but which had not yet been paid. This was artfully done, with a view of ingratiating herself with the public, and of beginning the new government with a popular and acceptable act, to which the nation had not been accustomed since the reign of Richard II. The remission was originally contained in letters patent⁷³; which, for the sake of greater security, were afterwards confirmed by parliament. It is to be remarked, at the same time, that the letters patent and the act, only remit the subsidy of four shillings in the pound on lands, and two shillings and eight pence on goods and chattels; but expressly reserve the grant of two-tenths and two-fifteenths⁷⁴. And so little able was Mary to afford this affected piece of generosity, that she was obliged to borrow 20,000*l.* at the same instant from the city of London, for the expences of her coronation.

Advantages
of the Union
with Scot-
land.

The reign of Mary furnishes us with a strong proof of the beneficial consequences resulting to England from the union with Scotland. For in the acts by which subsidies were granted, the whole counties of Northumberland, Cumberland, and Westmoreland, and the towns of Berwick and Newcastle, and the Bishoprick of Durham, were entirely exempted, on account of their vicinity to the Scots, by whose incursions, notwithstanding the superior strength and resources of England, they were perpetually ravaged⁷⁵. It is well known, that what was then called a subsidy, was of the same nature with the modern land-tax; had not the union therefore taken place, the land-tax at present paid by these towns and counties (which, at the rate of four shillings in the pound, amounts to 31,900*l.*) could not have been demanded upon any principles of justice or equity.

ELIZABETH.

We are now to contemplate the reign of a sovereign, of whom England has reason to be proud. For though it is certain, that neither

⁷³ Parl. Hist. vol. iii. p. 288.

⁷⁴ See 1 Mar. Sess. 2. cap. 17.

⁷⁵ Stevens, p. 241, 242.

her

her private conduct, nor all the principles of her public administration, were totally blameless and irreproachable; though her attachment to Leicester, and to Essex, betrayed a considerable portion of female weakness; though the imprisonment and death of the unfortunate Mary, will for ever prove an indelible stain to her memory; and though the manner in which she treated her parliaments, and supported the pretended prerogatives of the crown, so contrary to the principles, and so opposite to the ideas and practices of these times, must appear to us harsh and illegal; yet such was the general happiness of her subjects at home, and such the reputation she established abroad with foreign powers, that her reign may be accounted the most splendid and fortunate of any female sovereign perhaps recorded in history: nor can the annals of England produce a period, on the whole, more to be preferred. It is therefore proposed to state, with some degree of minuteness, first, the general nature of the expences in which she was involved; and, secondly, from what sources they were defrayed.

Expences.

Elizabeth was put to heavier charges in providing for the national protection and defence than any of her predecessors; it was justly remarked by Sir Thomas Egerton, keeper of the great seal, in a speech to parliament, "that the wars formerly waged in Europe, had commonly been conducted by the parties without any farther view than "to gain a few towns, or at most a province, from each other; but "that the object of Spain, in the hostilities which it carried on at that "time, was no other than utterly to bereave England of her religion, "her liberty, and her independence".⁷⁶ It was necessary, therefore, to spare no expence, when such objects were at stake. Nor did the queen content herself with merely defending her own territories, she made her enemies feel the miseries of war at their own homes. Her successful enterprises against the Spaniards are well known; and it is said that she expended no less a sum than 1,200,000, from the year 1589,

1. National
Defence.

⁷⁶ Hume, vol. v. p. 385.

when the war with Spain began, to the year 1593, when she received a considerable supply from parliament for the same popular purpose ⁷⁷.

2. Ireland.

Ireland was a possession which had not as yet proved, in any respect, useful to this country. Its revenue was reduced to the trifling sum of 6000*l. per annum*, and it required 20,000*l.* a year additional, out of the exchequer of England, to defray the charges of the ordinary peace establishment ⁷⁸. This load was far from being relished by Elizabeth and her council; and their frugality proved the source of much expence to the one kingdom, and of infinite misery to the other. For such was the weak state of the Irish government, that it emboldened Tyrone to revolt, whose rebellion continued for the space of eight years, and is said to have cost at the rate of 400,000*l.* a year, before it was totally suppressed. In the year 1599, 600,000*l.* were spent there in the space of six months; and Sir Robert Cecil affirmed, that Ireland had cost, in ten years time, the sum of 3,400,000*l.* ⁷⁹

3. Scotland.

Elizabeth's critical situation at her accession to the crown, rendered it necessary for her to keep up a party in Scotland, attached to her interest, and ready to support her views; and however unwilling she was to engage in unnecessary expences, yet she found it requisite, until her rival, Mary, had fallen into her power, to furnish her Scottish friends with pecuniary, and, occasionally, with military assistance. Indeed she artfully contrived to render the politics of Scotland subservient to her own, during the greater part of her reign.

4. Holland.

It was, during this æra, that Holland first attempted to render itself independent. As Elizabeth had every reason to be jealous of the power of Philip; and as her subjects had long been connected with the provinces of Flanders in traffic and correspondence, they naturally trusted to her assistance and protection; and, at one period, actually offered her the entire sovereignty of the country. This proposal she had the magnanimity, and perhaps the prudence, to refuse. But she spared nothing to enable them to throw off the Spanish yoke; demanding, instead of the sovereignty of the new states, only security for the reimbursement of her expences: in consequence of which three

⁷⁷ See an account of these extraordinary charges, *Parl. Hist.* vol. iv. p. 364.

⁷⁸ Hume, vol. v. p. 398.

⁷⁹ Hume, vol. iv. p. 474.

of the most valuable fortresses they were possessed of, were delivered up to her, and garrisoned by the English.

The powerful monarchy of France was, for some time, no small incumbrance on the finances of Elizabeth. The arts of the church of Rome, and the wealth of the court of Spain, had roused such a spirit of opposition to Henry IV. the legal sovereign of the country, that he could not possibly have withstood the united efforts of his enemies, supported by a considerable party of his own subjects, if it had not been for Elizabeth's assistance, who advanced him to the amount of 450,000*l.* in his greatest necessities⁸⁰: a sum which he could never be prevailed upon to repay, notwithstanding the strongest representations of her pecuniary distresses from the war in Ireland, and although he had begun to amass a very considerable treasure⁸¹.

5. France.

Her predecessors of the house of Tudor had frequently involved themselves in considerable debts. Her brother Edward owed the sum of 240,000*l.* and some of her father's and sister's debts were yet unpaid. Elizabeth thought it incumbent upon her to discharge these claims, and actually paid the debts of the crown, with their full interest, to the amount, it is said, of four millions. This, Hume considers to be incredible⁸². But as this sum probably includes both principal and interest, and also the money she raised by loans, which (with only one exception) she punctually repaid, there is the less reason to suspect any great exaggeration.

6. Crown debts.

Elizabeth had the credit and expence of bringing back the coin of the kingdom to a proper standard. Its debasement in the reigns of Henry VIII. and of her brother Edward, was very great. Though some steps had been taken to remedy this national disgrace, yet the progress was inconsiderable: and before that monster, as she called it, could be con-

7. Recovering the coin.

⁸⁰ Charles duke of Burgundy was wont to say, "That the neighbouring nations " would be in a happy case, when France should be subject, not to one sceptre, but to " twenty petty kings." But Elizabeth thought otherwise, and therefore supported Henry. Camden's Hist. of Elizabeth, Edit. 1675, p. 444. Had she lived till these times, she would probably have altered her opinion.

⁸¹ Hume, vol. v. p. 473. ⁸² Ibid. Camden, p. 191, observes how much the debt was increased by neglecting to pay the interest, then at 14 *per cent.*

quered, the queen was obliged to borrow 200,000 *l.* from the city of Antwerp, to enable her to complete her intentions⁸³. But she did not carry her ideas, with regard to the purity of the coin, to the extent that might be wished; for, unfortunately, she was afterwards prevailed on, in the forty-third year of her reign, to divide the pound of silver into sixty-two shillings instead of sixty, the former standard⁸⁴; nay, she was persuaded to give her sanction to the coinage of base money for the use of Ireland. The pretence was, however, specious. It was said, that the great sums of money remitted to Ireland, found their way, through the medium of circulation, into the hands of the natives, who were thus enabled to purchase those supplies of arms and of ammunition, without which they could not persevere in their rebellion. And it was asserted, that an inferior species of coin could never be employed to procure useful commodities at foreign markets. Her wiser counsellors, in vain, endeavoured to prove the weakness and fallacy of such reasoning⁸⁵. It is said that Burleigh, whilst he lived, would never give way to any project of that nature; nor was it till after his death, that it was carried into execution⁸⁶. Since the reign of Elizabeth, no sovereign of England has attempted to debase the coin current in this country.

S Bounties
to favourites.

The last considerable expence on the exchequer of Elizabeth, was her bounty to her favourites. Her gifts to Dudley, earl of Leicester, were very great. At one time she gave to the earl of Essex a present of 30,000 *l.*; and is supposed to have bestowed pecuniary favours upon that gallant nobleman, to the value of 300,000 *l.* in which a lucrative monopoly he enjoyed, was probably included. To the great ministers who were employed in the public service, she was not over bountiful: some of them died in poverty; and Burleigh's fortune was more owing to his own frugality, than to her friendship. But to those courtiers who ingratiated themselves with her, by the charms of their persons, or the insinuation or flattery of their address, no sovereign was more liberal. The queen, it was said, *pays bountifully*, though she *rewards sparingly*⁸⁷.

⁸³ Hume, vol. v. p. 476. ⁸⁴ Folkes on Coins, p. 58. Harris on Coins, part ii. p. 9.

⁸⁵ Camden, p. 637. ⁸⁶ Ney, p. 105.

⁸⁷ Naunton, in his *Fragmenta Regalia*, gives a brief account of queen Elizabeth's favourites, amounting to twenty-two in number. Many of them principally depended upon the queen's bounty for their support. But among them Burleigh and other ministers are included.

Supporting the splendor of the court, and defraying the charges to which Elizabeth's vanity subjected her (who left, it is said, above three thousand suits, of various shapes and colours, in her wardrobe when she died) were the only other material expences during her reign. Let us next see from what resources her income was derived.

Resources.

It is impossible, at present, to ascertain the income which the royal domains produced in the time of Elizabeth. To James I. they only yielded the sum of 32,000*l.* but they were supposed worth 96,000*l. per annum*; when the leases which then existed would expire⁸⁸, and their value would have been still more considerable, had it not been for the queen's system of alienation, who preferred making an almost continual dilapidation of the royal domains rather than to demand the most moderate supplies from her commons⁸⁹. In the forty-second year of her reign, in order to procure money for carrying on the war in Ireland, commissioners were appointed, with full powers to confirm the possession of the crown lands, to such as held them by titles, liable to be controverted. And in the ensuing year an act was passed, ratifying all the grants and alienations made by Elizabeth since the 25th year of her reign, whether for value received, or in consideration of a discharge being granted of any of the crown debts⁹⁰. It is said, however, that her grants in general contained this proviso, that in default of issue male, they were to revert to the crown. A clause, of which the public, at this time, might probably avail itself.

Elizabeth's attachment to what she supposed to be the inherent prerogatives of the crown, is too well known to require being dwelt on. It is said that the income arising from wardship (which, with other claims of a similar nature, were very rigorously enforced), joined to the revenue of the duchy of Lancaster, amounted to the sum of 120,000*l.* yearly⁹¹. Of all the feudal prerogatives, that of purveyance was the most obnoxious. The queen at first had victualled her navy under pretence of that right, but with a view of endearing herself to her

Demefaes.

Feudal prerogatives.

⁸⁸ Noy's Rights of the Crown, p. 51, 52.

⁸⁹ Hume, vol. v. p. 473.

⁹⁰ 43 Eliz. cap. 1.

⁹¹ Hume, vol. v. p. 474. Note Y.

subjects.

subjects. She had afterwards revoked all her warrants, and had given directions to pay for any provisions that had been furnished for that purpose. In the sixth and fifteenth years of her reign, however, she caused considerable quantities of beer to be purveyed, and sold it on the continent for her own behoof⁹². Although it is impossible to describe the vexation and distress which the exercise of this prerogative occasioned, yet the haughty Elizabeth would neither suffer its abuses to be redressed by parliament, or rectify them herself.

Customs.

The customs had gradually become a standing part of the revenue of the crown. In the year 1590, they were raised from 24,000 to 50,000 *l.* a year: and Sir Thomas Smith, by whom they had been farmed, was obliged to refund some part of the profits he had received⁹³. Tunnage and poundage were granted to Elizabeth for life: but it is remarked by Hume, that these duties were levied previous to the vote of parliament; and indeed it is asserted, in dispatches from her council to her ambassador in France, “that it was as lawful for the queen of England, for her ease and relief, to take impositions of her subjects, of such wares as lyked “hir, as it was for other princes to set impositions of theirs⁹⁴.” Thus it appears that the sanction of parliament was accounted, by the queen’s ministers, a mere matter of form; at least they were politic enough to hold that doctrine to foreign courts.

First fruits
and tenths.

One of the first steps taken by parliament, after the accession of Elizabeth, was to restore to the crown the first-fruits and tenths which Mary had given up; and the members of both houses (some bishops only excepted) shewed, upon that occasion, so strong a disposition to support the principles of the reformation, that it greatly encouraged the queen and her council, to take further measures for the abolition of popery.

⁹² Noy’s Rights of the Crown, p. 66.

⁹³ Authors greatly differ with regard to the sum which Smith originally paid. Philips (*Restauranda*, p. 35.) says, that they were raised from thirteen thousand, first to forty-two, and afterwards to fifty thousand pounds. Camden, p. 440, instead of thirteen, makes it fourteen thousand. Naunton, in his *Fragmenta Regalia*, p. 15, says, that in the space of ten years the rent was doubled. But it appears from Brown’s translation of Camden, (*Appendix*, note to p. 32 l. 16) that there are some mistakes in the other translation, and I suppose that fourteen has been put down instead of twenty-four thousand pounds.

⁹⁴ Forbes’s full view of the transactions of Elizabeth, vol. i. p. 133.

The authority of parliament was also procured, to re-annex to the crown, the lands which Mary had bestowed on religious houses; and the Queen was empowered, when any bishopric became vacant, to seize all the temporalities, and to bestow on the new bishop an equivalent in church-lands, and impropriations belonging to the crown⁹⁵. In consequence of this regulation, the church was often injured by unfair and disproportionable exchanges. Nor was this all: for after the example of some of her most detested and tyrannical predecessors, she retained the temporalities of the bishoprick of Ely in her own hands for the space of nineteen years; and it was not unusual for her, when she promoted a bishop, to pillage the see of some of its most valuable manors, or to countenance injurious bargains between the new incumbent and some favourite courtier⁹⁶.

Church lands.

It is difficult to know, with any degree of precision, what was the amount of the permanent revenue of the crown at this time. We are told, from respectable authority, that the profit of the kingdom, in the twelfth year of the reign of Elizabeth, exclusive of the wards and the dutchy of Lancaster (which yielded about 120,000*l.*), amounted to 188,197*l. per annum*⁹⁷, making in all the sum of 308,197*l.* *Anno* 1590, a considerable addition was made to the customs. The whole of her annual permanent income, however, could hardly amount to 350,000*l.*

Amount of the queen's permanent income.

Though the expences of Elizabeth's government were very considerable; and though her permanent revenue was far from being great, yet the earlier part of her reign is not distinguished by numerous

Grants.

⁹⁵ Hume, vol. v. p. 10. Stevens, p. 247.

⁹⁶ The poverty of the crown is a circumstance not a little astonishing, when one considers the immense property of which the church was deprived, during the government of the house of Tudor. But the matter is fully explained in a paper presented to Elizabeth, containing an account of the frauds and abuses that had been committed by the officers, to whose charge this new branch of the revenue had been committed. For particulars, Stevens, p. 248, may be consulted. One fact, however, may be taken notice of. It is asserted in the paper he transcribes (which seems to have been drawn up by one of the commissioners, or at least by a person perfectly acquainted with the whole transaction), that the plate, jewels, and moveable effects of the different abbeys were worth a million of money, though sold, by means of the artful contrivances of the commissioners, greatly under their value. Nay, that a considerable part of the low prices that were given, remained unpaid for many years.

⁹⁷ Noy's Rights of the Crown.

HISTORY OF THE PUBLIC REVENUE

grants from parliament. The queen's frugality was such, that expences, however trifling, even the charge of expreffes, on delicate and important tranfactions, were not reckoned beneath her notice. But, above all, her imperious fpirit, and her anxious defire to maintain her dignity and independence, made her feduloufly avoid asking fupplies from parliament, unlefs when abfolutely neceffary; nor would ſhe ever liſten to any plan of retrenching her prerogative, and of adding to the rights and privileges of the people, or of gratifying them even in regard to the appointment of a fucceffor, for the fake of any pecuniary recompence⁹⁸. The following is a ſtate of the parliamentary ſubſidies and fifteenths received by Elizabeth, during the courſe of her reign, in which eighteen ſubſidies from the clergy are not included.

| <i>A. D.</i> | <i>Year of her reign.</i> | | | | <i>Subs.</i> | <i>Fift.</i> | | | |
|--------------|-------------------------------|---|----|---|--------------|------------------|----|---|---|
| 1558 | — | — | 1 | — | — | 1 | — | — | 2 |
| 1563 | — | — | 5 | — | — | 1 | — | — | 2 |
| 1566 | — | — | 8 | — | — | 1 | — | — | 1 |
| 1571 | — | — | 13 | — | — | 1 | — | — | 2 |
| 1575 | — | — | 18 | — | — | 1 | — | — | 3 |
| 1581 | — | — | 23 | — | — | 1 | — | — | 2 |
| 1584 | — | — | 27 | — | — | 1 | — | — | 2 |
| 1588 | — | — | 31 | — | — | 2 | — | — | 4 |
| 1593 | — | — | 35 | — | — | 3 | — | — | 6 |
| 1597 | — | — | 39 | — | — | 3 | — | — | 6 |
| 1601 | — | — | 43 | — | — | 4 | — | — | 8 |
| | | | | | | ⁹⁹ 19 | 38 | | |

eight fifteenths, was about 1,103,000*l.* Eighteen subsidies were granted by the clergy, valued at 20,000*l.* each, consequently equal to 360,000*l.* The whole, therefore, might amount to about 2,800,000*l.* which is the sum stated by Sir Robert Cotton¹⁰¹; and indeed by Lord Salisbury in parliament¹⁰². Hume very justly remarks, that if the supplies granted to Elizabeth, during a reign of forty-five years, amounted even to the sum of three millions, it would only make 66,666*l.* a year¹⁰³.

But Elizabeth's resources did not depend entirely, either on the common revenue of her kingdom, or on the temporary and occasional aids of parliament. For the crown, at that time, claimed a right of granting exclusive privileges of trading, in any article it thought proper, to any person it chose to appoint. Such monopolies were sometimes sold, and it is probable, yielded considerable sums to the exchequer; and sometimes they were granted, as a reward to those who had distinguished themselves in civil and military employments; but they were much oftener given to the minions of the court, in recompence for their servility.

The number and importance of the commodities which were thus monopolized, is almost incredible. Among many others, historians mention salt, iron, powder, cards, calf-skins, fells, pouldavies, ox-shin-bones, train oil, lists of cloth, pot-ashes, anniseeds, vinegar, sea-coals, steel, aquavita, brushes, pots, bottles, saltpetre, lead, accidents, oil, calamin-stone, oil of blubber, glasses, paper, starch, tin, sulphur, new drapery, dried pilchards; transportation of iron ordnance, of beer, of horn, of leather; importation of Spanish wools, of Irish yarn, &c. &c. We are told, that when this list was read over in the House of Commons, a member (Mr. Hackwell) loudly exclaimed, "*Is not bread in the number?*" "*Bread,*" said every one with astonishment! "*Yes, I assure you,*" replied he, "*if affairs go on at this rate, we shall have bread reduced to a monopoly before next parliament*"¹⁰⁴.

¹⁰¹ See Stevens, p. 206.

¹⁰² See Comm. Journ. vol. i. p. 395. Lord Salisbury however calculates, that there were twenty subsidies, and thirty-nine fifteenths, granted to Elizabeth.

¹⁰³ Hist. vol. v. p. 475.

¹⁰⁴ D'Ewes, p. 648. Hume, vol. v. p. 439. Parl. Hist. vol. iv. p. 462.

It is easy to see the consequences of such a system. Trade was abandoned, and industry almost totally extinguished. "*It bringeth*" (said a member in the House) *general profit into private hands, and the end is beggary and bondage.*" A single patent, contrived for the advantage of four rapacious courtiers, occasioned the utter ruin of seven or eight thousand industrious subjects¹⁰⁵. This abuse, and the manner in which so destructive a prerogative was exercised by Elizabeth, is one of the greatest blots in her reign. In vain did parliament interfere. The haughty sovereign would not permit her prerogative to be called in question; and the more the House endeavoured to procure a redress of the grievance, the more resolutely was it maintained. In a speech from the throne, at the dissolution of one of her parliaments, whose conduct she particularly resented on that account; she told them, "That with regard to the patents, she hoped that her dutiful and loving subjects, would not take away her prerogative, which is the chief flower in her garden, and the principal and head pearl in her crown and diadem, but that they would rather leave the matter to her disposal." However, not long after, she issued a proclamation for repealing some of the most obnoxious monopolies; particularly on salt, oil, starch, &c. for which she received the solemn thanks of her Commons¹⁰⁶.

Extortions.

Nor is it possible totally to acquit this high-spirited princess, of illegal extortions from her subjects. She is said to have exacted, every new-year's-day, above 60,000 crowns, in gifts from her dependants; and to have raised 100,000 crowns yearly, by granting licences to Roman Catholics and Non-conformists, exempting them from the penalties which the law imposed upon such as neglected to attend the public service of the established church. She also made use of the prerogative which the crown enjoyed, of laying an embargo on merchandize, if not to extort money, like her predecessor Mary, at least, to procure, at an easy rate, the commodities she wanted¹⁰⁷.

Burleigh's
system of ex-
tortion.

The power of the crown during the reigns of the house of Tudor, was supposed to be so absolute and uncontrouled, that Burleigh, the

¹⁰⁵ D'Ewes, p. 242.

¹⁰⁶ See her famous speech upon that occasion, D'Ewes, p. 659.

¹⁰⁷ Strype's Annals of the Reformation, vol. i. p. 28.

ablest statesman of his time, actually built upon that idea, a system of extortion, which it is hardly possible to credit. In a speech he made to the queen and council, he proposed the erection of a new court, to be entrusted with a general inquisitorial power over the whole kingdom, for the better correction of abuses. By such methods, he asserted, Henry VII. had added greatly to his revenues; and he expressed his full expectations, that such an institution would procure a greater accession to the royal treasure, than Henry VIII. derived from the abolition of the abbeys, and the seizure of the property of the church¹⁰⁸. The proposition was wisely rejected; but it is not a little singular, that such a plan should ever meet with the smallest countenance from so respectable a character.

Elizabeth continued the practice, of which so many examples had been shown by her predecessors, of extorting loans from her subjects, and of imprisoning such as ventured to refuse, and although she took care to repay them when it was in her power (a very unusual step with the former sovereigns of England), yet the money that was borrowed, lay in the hands of the crown, without interest, and consequently, such loans were productive of considerable loss to those from whom they were exacted. By an act in the second year of Richard II., the prerogative of exacting loans had been recognised by parliament; at least, a clause was inserted, exempting none who could not produce a *reasonable* excuse; the justice of which, the king alone had the power of determining. Indeed, this right was supposed to be so firmly established in the crown, that Burleigh proposed to demand a general loan from the people, equivalent to a subsidy, which, if the money was not repaid, was in fact imposing taxes without the sanction of parliament¹⁰⁹.

Compulsive
loans.

The sovereign of a country, which has since borrowed so many millions, was then occasionally obliged to apply to Hamburgh, Cologne, Antwerp, and other wealthy cities on the continent, for small loans. The interest she paid was generally from 10 to 12 *per cent.*; and she was farther obliged to furnish the additional security of the city of London, and sometimes the personal bonds of her principal ministers, before her wants could be supplied. But the wealth of her kingdom

Foreign
loans.

¹⁰⁸ Strype's Annals, vol. iv. p. 234. Supposed to have been *anno* 1594.

¹⁰⁹ Hume, vol. v. p. 460.

increasing,

increasing, and her credit being fully established by her frugality, the punctuality and success, she was at last enabled to procure at home the money she required, and was no longer dependent on foreigners for pecuniary assistance ¹¹⁰.

Plunder.

In the course of the war against Spain, many important enterprises were undertaken at the expence of private adventurers, in which Elizabeth took a part, in common with her subjects, and received her proportion of the plunder that was captured. On some occasions, the spoil was very unequally divided; particularly *anno* 1592, a valuable ship having been taken by Raleigh and Frobisher, supposed to be worth 200,000*l.*, twenty thousand pounds, a tenth of the prize, was all that the queen was entitled to from her share of the vessel. But this sum was far from being satisfactory, and they were glad to give her 100,000*l.* in full of the claims, to which they would probably have been made liable, in favour of so potent a partner in the adventure ¹¹¹.

It may be proper here, to mention her receipt of a sum of money, which it is not known whether it ought to be placed under the head of a foreign loan, or of foreign plunder. *Anno* 1571, some merchants of Genoa had contracted to transport 400,000 crowns, for the use of Philip's forces in the Netherlands. The ships, on board of which the money was put, being attacked by some French privateers, were glad to take shelter in the English ports; and the money was seized by Elizabeth, under the pretence that it was the property of the Genoese merchants, from whom she would borrow it herself, having occasion for money. This circumstance not only greatly contributed to the war that arose between Spain and England, but was also attended with other important consequences; for the want of this supply, being likely to occasion a mutiny in his troops, reduced the duke of Alva to the necessity of raising money, by methods of so oppressive and tyrannical a nature, that it gave rise to the revolt of the Dutch, and the independence of their republic ¹¹².

Calais.

The possessions of England on the continent had been reduced, previous to the accession of the house of Tudor, to the town and considerable territories of Calais; and even that last remnant of the con-

¹¹⁰ Stevens, p. 246.

¹¹¹ Camden, p. 466. Hume, vol. v. p. 466.

¹¹² Hume, vol. v. p. 194.

quests made by the Henrys and the Edwards, had been recovered by the French, during the disgraceful administration of Mary. It was a town which France was determined not to give up, and which England could not avowedly relinquish. But as both parties were equally desirous of peace, it was at last agreed upon, that the French should hold Calais for the space of eight years, at the end of which it was to be restored, under the penalty of 500,000 crowns; the receipt of which was not to destroy Elizabeth's title to that possession. Five hostages were given for the performance of this article, who were afterwards released for the sum of 220,000 crowns. Her claim, such as it was, she still retained; and at the end of the stipulated period, care was taken to demand the restitution. The French, however, found pretences sufficiently plausible to evade their engagement; and the queen thought it better to submit to the loss, than to prosecute so doubtful a title by a war, equally dangerous and expensive, and at that time peculiarly unseasonable¹¹³.

Anno 1563.

It is evident, from this long enumeration of the various sources which contributed to fill the coffers of Elizabeth (many of which were of a very precarious and uncertain nature), that it is impossible to estimate what was the real value of her annual income. Voltaire imagines, that it exceeded 600,000 *l.* a year¹¹⁴. Hume, on the other hand, conjectures, that it fell much short of 500,000 *l.*¹¹⁵, and there is every reason to give full credit to the latter computation.

Amount of
her income.

A particular account is still extant, of the specie coined during the reign of Elizabeth, to the value of 5,513,717 *l.* 11 *s.* 1 $\frac{3}{4}$ *d.* of which 4,718,579 *l.* 2 *s.* 8 $\frac{1}{2}$ *d.* was in silver, and only 795,138 *l.* 8 *s.* 4 $\frac{3}{4}$ *d.* in gold. This includes silver to the amount of 85,646 *l.* 19 *s.* 5 $\frac{3}{4}$ *d.* employed in coining the base money, issued for the use of Ireland¹¹⁶.

Specie
coined.

We are told, that the office of postmaster-general existed in England during this reign¹¹⁷. Some post-houses consequently must have been erected. But the post-office was productive of expence, and not of revenue, until the time of the commonwealth.

Post office.

The heavy burden of maintaining the poor, which it was imagined would have been provided for by voluntary contribution, or would have

Poors rates.

¹¹³ Carte, vol. iii. p. 460.¹¹⁴ Gen. Hist. vol. iii. p. 85. part v. c. 13.¹¹⁵ Hist. vol. v. p. 474.¹¹⁶ Folkes on Coins, p. 65, Note.¹¹⁷ Camden, p. 261.

fallen,

fallen, either on the possessors of the church-lands, or on the secular clergy¹¹⁸, became in the reign of Elizabeth, a general tax upon the community. The situation of the poor, before the acts were passed for their relief, is represented as most deplorable; and even after they had a legal title to support, the assessments were so low, that it is said many perished for want¹¹⁹. Besides the taxes levied for the relief of their parochial poor, every parish was also charged from two to eight shillings a week, for the maintenance of sick and wounded soldiers and seamen, for whom there was then no regular provision.

Debts.

Elizabeth left behind her debts to the amount of about 400,000*l.* which were paid by her successor¹²⁰. But that sum was much more than compensated by the claims to which, at her death, he was entitled. The king of France owed her 450,000*l.* The states of Holland were indebted in no less a sum than 800,000*l.* a considerable part of which was paid; and the subsidies due Elizabeth, when she died, amounted to about 350,000*l.* which James received soon after his accession¹²¹.

Subsidies re-
mitted and
refused.

This reign is distinguished for the last example in the English history, of a subsidy being rejected by the sovereign, when offered by the people; and Elizabeth publicly declared, on that occasion, that she considered it to be the same thing, whether the money they offered was in the pockets of her subjects, or in her own exchequer. A sentiment equally expressive of the strength of her judgment, and of her confidence in her subjects; and *Anno* 1585, when the Commons offered her a *benevolence*, she nobly refused it, declaring, that she had no occasion for money at that time¹²².

Voluntary
contribu-
tions.

It is a pleasing circumstance to be able to relate, the grateful return which Elizabeth met with from her subjects, for the general popularity of her government, and the great wisdom and success of her administration. When her crown was in danger, in consequence of the warlike preparations of Philip king of Spain, who fitted out, what he called, an Invincible Armada, for the conquest of England, and the capture of

¹¹⁸ It appears from D'Ewes, p. 561, that a bill for relieving the poor out of impropriations, and other church livings, was lost by twenty-nine votes. The Ayes were 117, the Noes 146.

¹¹⁹ Stevens, p. 254, 255, 262.

¹²⁰ Restauranda, p. 35. Frag. Reg. p. 12. Parl. Hist. vol. v, p. 147.

¹²¹ Parl. Hist. vol. v. p. 129.

¹²² D'Ewes, p. 494.

Elizabeth,

Elizabeth. The spirit and loyalty of the people are hardly to be conceived. The nobility and gentry fitted out forty-three ships at their own expence. London, and the other principal ports in England, voluntarily equipped double the number of vessels that was demanded. Formidable armies were collected without difficulty or murmur. Every direction given for the better security of the coast, met with a prompt and cheerful obedience; and each person, in proportion to his ability, furnished pecuniary assistance, and gloried in an opportunity of displaying his attachment to his sovereign, and his zeal to preserve the liberties and independence of his country.

Such were the different modes adopted under the government of the house of Tudor, for raising a revenue. During this æra, some progress was made in finance; the advantages of public credit, and of a strict adherence to public faith, were discovered by the politic and sagacious ministers of Elizabeth; and the customs, and other branches of the revenue, were rendered more productive. But the period is particularly remarkable, for laying the true foundation of the poverty of the crown, and of the consequent power and importance of the commons. When the emperor Charles V. was told, that Henry had suppressed the monasteries, he judiciously remarked, that the king of England had killed the hen that laid him the golden eggs. In fact, the opulence of the church was always a sure resource for the crown to look up to. The clergy could hardly evade any burden the king thought proper to impose. When, in addition therefore to the royal domains, the property of the church was squandered, the sovereign had nothing to depend upon, but the assistance of the nation at large, through the medium of its representatives; and Elizabeth's successors found, that such assistance could not be procured, without redressing the grievances of the people, and agreeing to such farther security for their rights and privileges, as they thought proper to demand.

Conclusion
of this chapter.

C H A P. IX.

Of the Revenue of England, from the Accession of the House of Stuart to the Revolution 1688.

THE accession of the house of Stuart to the throne of England, and the consequent union of the two crowns, it was imagined, would have been at once attended with the most beneficial consequences to both kingdoms. But, unfortunately, such happy prospects were blasted, first, by the imbecility of this monarch's character, and afterwards, by the infatuation and obstinacy of his successors. Whereas, if James had acted with vigour and prudence, and if his posterity had avoided the rocks of despotism, and of tyranny, on which they split, these kingdoms might have arrived at their full maturity and strength at a much earlier period. But the domestic quarrels of England, besides retarding her progress towards maturity and strength, enabled France to acquire a degree of power and influence which could not afterwards be checked without the utmost efforts; and the usual revenue of the country being inadequate to such exertions, the foundation was unfortunately, but almost necessarily laid, of that heavy load of debt with which we are now incumbered.

In addition to the weakness of this monarch's conduct, and the high notions which both he and his successors entertained of the inherent prerogatives of the crown, other circumstances concurred to retard the British monarchy in its progress towards its meridian strength and glory. The former jealousy and rancour between the English and the Scots still continued; and every plan of uniting the two countries encountered, particularly on the part of the English parliament, much obstruction. The attention of both kingdoms was also taken up by religious controversies; and, at last, a fatal contest arose with regard to the revenue of the crown, and the franchises of the people, and indeed, respecting every branch of the constitution, however important or minute; and the consequence was, a series of calamities, which even the history of England can hardly parallel.

The circumstances have already been pointed out, which had contributed to diminish the income of the crown, arising from the alienation of the royal domains, and the destruction of that ancient source of revenue, the great wealth and property of the church, which, after having been seized by the sovereign, was wasted, without leaving a remnant to enrich the exchequer. But the royal income rapidly diminished, not only in nominal amount, but also in real value. After the discovery of America, specie became every day more plentiful in every part of Europe; and the consequence was, such an addition to the price of all commodities, as rendered the same revenue much less efficient than formerly. Thus the crown was reduced to poverty, at a time when it was natural for the sovereign to aspire to an equality, in point of magnificence and expence, with the other monarchs of Europe; or, at least, to preserve the same appearance when compared to his own subjects, by which the rank and dignity of his predecessors had been supported. Whilst these circumstances led the crown to wish for a great and independent revenue, the people reluctantly subjected themselves to every unusual burden; and were determined, unless in a legal manner, by the votes of their representatives in parliament, not to part with any share of the property acquired by their own industry and labour. Learning also began to flourish, and to be very generally diffused; the rights of mankind, both to civil and religious liberty, were every day more frequently discussed, and the more they were examined, appeared the clearer and better founded; and from natural differences of opinion, between the crown and the people, as to those important articles, disputes arose, which, in the reign of this monarch's successor, were attended with circumstances equally singular and important.

Revenue of JAMES I.

It might naturally be expected, that a prince who had been so long accustomed to live upon the slender revenue which Scotland could then afford, would have carried with him to the throne of England some inclination to frugality; but the contrary was visible during his whole

¹ Hume, vol. vi. p. 47.

reign : and though, in consequence of his great care to avoid engaging in wars, his expences were almost entirely of a domestic and personal nature, yet they constantly exceeded his income; particularly in the year 1610, to the amount of 81,000 *l.*², though afterwards reduced in 1617, to 36,617 *l.* a year³. The excess, he trusted, parliament would sometime or other supply, and therefore could hardly be prevailed upon to make the necessary retrenchments, or to establish any economical arrangement.

Expences.

1. Personal expences.

Though this monarch is represented, by a great historian, as but little addicted to luxurious expences⁴, yet it is difficult to reconcile such an opinion with the events of his reign. He kept up three courts; one for himself, another for his queen, and a third for his eldest son; being at least one more than had ever been maintained by any former king of England. His brother-in-law, the king of Denmark, twice visited the court of London, and James was far from discouraging the expences which such visits necessarily occasioned. The charges attending the marriage of the king's daughter to the Elector Palatine, including the portion of that princess, amounted to 93,278 *l.* a much larger sum than had been expended by any of his predecessors on a similar occasion; and this prince, who had not a spark of avarice in his composition, but loved delicate and luxurious living, was far from being sparing in the expences of his table⁵.

2. Bounty to favourites.

It was at first imagined, that the king's prodigality to those for whom he entertained a regard, originated from national attachments. His inconsiderate gifts and bounty to some of the Scotch nobility and gentry who attended him to England; and in particular, the unmerited favours which he conferred on the infamous Car, earl of Somerset, were attributed

² Comm. Journ. vol. i. p. 395.

³ See an Abstract, or brief Declaration of the present State of his Majesty's Revenue, London, printed for M. S. *anno* 1651, p. 9. Reprinted in Sommer's Collection of Tracts, 3 Coll. vol. ii.

⁴ Hume, vol. vi. p. 172.

⁵ In Macaulay's History of England, we have many instances of this monarch's profusion. See vol. i. p. 22. 34, note 39. 65. 88. 104. 114. 153. &c.

to a blind partiality for his countrymen. But James clearly demonstrated, that he could be as profuse to an English, as to a Scotch favourite. His bounty to Villiers duke of Buckingham was unlimited. This despicable minion, formed by nature, to be only the pageant of a court, was raised, at once, to the summit of power, of honour, and of wealth. The highest offices of the state were centered in his person; the most important transactions were conducted according to his humour and caprice; and, whilst his enemies were openly discountenanced, those who boasted of the most distant connection with himself, or his family, were enriched with the most unbounded profusion⁶.

The king was not contented with giving his favourites all the lucrative employments of the state, and considerable grants from the royal domains, but gifts in money, of great value, were also lavished on them. In the first fourteen years of his reign, 424,469 *l.* were thus expended⁷. One of his minions, Rich, afterwards created earl of Holland, happened to whisper in the king's presence, how happy it would make him, to be master of a sum of money, amounting to 3000 *l.* which a porter was carrying to the treasury; and in consequence of so trivial a circumstance, the whole load was given to him by his generous sovereign⁸. It is said, by the English writers, that James did not make the proper distinction, between pounds Scots, and pounds English, and that lord Salisbury was unable to convince him of the immensity of one gift, until he had artfully brought a considerable part of the sum, in specie, into his royal presence, when it appeared so enormous, that the king, for once, ordered his bounty to be diminished⁹.

It has already been observed, that in the reign of Henry III. his eldest son, afterwards Edward I. had an income of only 15,000 marks; but after the conquest of Wales, the revenues of that principality, together with the duchy of Cornwall, and earldom of Chester, were given to the eldest son of the reigning monarch, to defray the charges of his court. These possessions yielded, in the time of Edward the Black Prince, 9982 *l.* 12 *s.* 7 *d.* which was then a very considerable income. But James exceeded all his predecessors, in his liberality to the heir

3. Prince of Wales.

⁶ Hume, vol. vi. p. 79.

⁷ Abstract, &c. p. 16.

⁸ Hume, vol. vi. p. 173.

⁹ Twelve pounds Scotch, make but one pound sterling. The story may be seen in the Historical Narration of the first fourteen years of King James, p. 11.

apparent :

apparent: for he bestowed on Henry prince of Wales, his eldest son, a clear revenue amounting to 51,415*l.* equal to at least 150,000*l.* of money at this time. Henry, whose death is much regretted by all the historians of that reign, had given early indications of great application, joined to the strongest natural powers; and he seems to have been well entitled to every possible mark of his father's attention and liberality. His premature death was therefore justly considered as a great national loss, it being more than probable, that his talents, equally splendid and popular, were better calculated than those of his brother Charles, to prevent the fatal distractions by which the constitution was overwhelmed.

4. Ireland.

During the reign of James, as well as of his predecessor, Ireland continued to be a heavy load on the exchequer of this country. At one time, an army of 19,000 men was kept up there, whose maintenance, from the high pay which even the common soldiers received, amounting to eight-pence a day, was not a little burthensome. It was also necessary to transmit the money from England, in consequence of the low state of the Irish treasury¹⁰.

5 Palatinate.

The Elector Palatine was induced, by his own ambition, and his reliance on the countenance and aid of the powerful monarchy of England, to engage in a plan of adding to his former territories, the kingdom of Bohemia; and when he proved unsuccessful in this attempt, and was even driven from his patrimonial possessions, he put the English nation and its sovereign to very considerable expences. James asserts in a speech to parliament, that besides the voluntary contributions of the English remitted to the Palatine, he had expended a very considerable sum in his cause¹¹. The king's pacific disposition, and his confidence

¹⁰ Hume, p. 59. 178.

¹¹ What the sum actually is, is very difficult to understand from the obscurity of the following passage: "I permitted a voluntary contribution to preserve the Palatinate, which came to a great sum; for that purpose, I borrowed also 75,000*l.* of my brother of Denmark, and now have sent to him to make it up 100,000*l.* and all this have I done with the charge of ambassadors and otherwise, which hath risen to an infinite sum, which I have borne myself, and hath cost me above 200,000*l.* in preserving the Palatinate from invading; finding no hope of the rest, besides 300,000*l.* and besides the voluntary contributions." The King's Speech, 30th January, 1620. Franklyn's Annals, p. 350. See an abstract of the speech in Latin, Lords Journals, vol. iii. p. 8.

in his own skill in the arts of negotiation, had made him endeavour to procure a restoration of the Palatinate, by means of a treaty; but finding that mode ineffectual, he was obliged to have recourse to arms, in which he proved equally unfortunate.

Before the reign of Elizabeth, the navy, excepting in time of war, was not an expensive department. In her time it amounted to 30,000*l.*¹² But James was at first particularly attentive to his fleet, and annually expended 50,000*l.* in repairing and keeping up this bulwark of his kingdom, exclusively of timber from the royal forests, to the amount of 36,000*l.* He afterwards abated 25,000*l. per annum* in this important article¹³.

The only remaining material expence incurred by James, was, paying off the debts of Elizabeth, amounting to about 400,000*l.* being money borrowed upon the credit of subsidies, the produce of which he received. Nothing can be more disgusting than to hear this sum, and the charges of her funeral, made use of as strong arguments with parliament, to augment their supplies. In return for such a crown as England, James ought surely to have defrayed, without notice or complaint, the small incumbrances of his generous predecessor, and the insignificant cost of her interment.

Let us next consider from what sources his revenue was derived.

Resources.

Though almost every reign since William the Norman sat upon the throne, had been productive of some diminution of the landed property of the crown, yet it still continued to be of considerable value. The nominal rent was small (amounting at James's accession to the sum of only 32,000*l. per annum*¹⁴) It was well known, however, to be worth more; and indeed it afterwards yielded about 80,000*l.* a year. An attempt was made, in the beginning of this reign, to procure a strict entail of the crown lands on the king and his successors for ever: but a bill for that purpose, though passed by the lords, was rejected by the commons;

¹² Noy's Rights of the Crown, p. 8. Stevens, p. 272.

¹³ Parl. Hist. vol. v. p. 316.

¹⁴ Noy's Rights of the Crown, p. 52.

and

and James, finding no obstruction to the sale of those lands, continued the practice, and raised by that means no less a sum than 775,000*l.*¹⁵

2. Feudal
privileges.

The rights which the king enjoyed as lord paramount, still remained a badge of the feudal slavery of the English. Purveyance in particular was carried to such a height, that the officers of the crown compelled the people to take for their commodities, whatever price they chose to offer¹⁶; and all the feudal prerogatives had become so intolerable, that parliament proposed to settle an independent revenue on the crown in their stead. An agreement was likely to have been entered into, at the rate of 200,000*l.* a year¹⁷; when, in consequence of disputes between the king and his parliament as to other matters, the plan was rendered abortive.

3. Feudal
aids.

The reign of James furnishes us with the last example in the English history, of any aid being levied on the knighting of the king's eldest son, and the marriage of his eldest daughter. The act on which the first claim was founded, though of a very old date¹⁸, had been frequently carried into execution by James's predecessors; and Henry, the prince of Wales, was such a favourite with the people, and the whole was managed with such moderation, that it yielded a considerable sum¹⁹. The other tax on the marriage of James's daughter to the elector Palatine, produced 20,500*l.* It is remarked, that a century had elapsed since this aid had been demanded; no opportunity having occurred since the reign of Henry VII. whose eldest daughter Margaret was married to James IV. of Scotland; in consequence of which alliance, James himself inherited the crown of England.

4. Customs.

The first parliament that James assembled, granted him, according to former practice, the duties of tunnage and poundage for life. But the more productive this branch of the revenue became, the greater anxiety did the crown feel to enjoy it in its own right, without the necessity of any application to parliament. Thence originated the dispute so

¹⁵ Brief Declaration, &c. p. 10.

¹⁶ For instance, in the beginning of the ensuing reign, it was complained of, that the purveyors would only give six-pence for a dozen of pigeons, worth six shillings; and two-pence for a fowl, worth one shilling and six-pence in the market. Comm. Journals, 25th of May, 1626. vol. i. p. 864.

¹⁷ Parl. Hist. vol. v. p. 264. 267.

¹⁸ 25 Edw. III. c.

¹⁹ *£* 21,800. See Brief Declaration, &c. p. 10.

warmly contested between James and his commons, with regard to the power of levying customs, and of adding to the rates of the duties that were imposed²⁰. The payment of customs by natives, at least to any amount, certainly originated in the grants of parliament; but the crown had so long received these duties, that it began to consider the customs as a permanent branch of its revenue. Both Mary and Elizabeth had shown James the example of altering the rates on some particular commodities. The same practice he intended to pursue, and to carry to a considerable height, though he was at first cautious not to give umbrage by any important alteration. But the commons took fire at the principle, foreseeing to what lengths it might be extended; and, indeed, passed a bill, abolishing these additional impositions, which the house of lords thought proper to reject²¹. The next parliament was proceeding to take similar steps, when it was suddenly dissolved; and thus the dispute remained undetermined in this monarch's reign.

Anno 1610.

Anno 1614.

The amount of the customs was rapidly increasing. At James's accession they yielded only 127,000*l.* a year. The following is a state of their produce, *anno* 1613.

| | | | | | | | |
|-----------------------|---|----------|---|---------|-----------|----|---|
| At the port of London | { | Outwards | — | — | £ 61,322 | 16 | 7 |
| | | Inwards | — | — | 48,250 | 1 | 9 |
| | | | | | | | |
| | | | | | £ 109,572 | 18 | 4 |
| In all the out ports | { | Outwards | — | £25,471 | 19 | 7 | } |
| | | Inwards | — | 13,030 | 9 | 9 | |
| | | | | | | | |
| | | | | | 38,502 | 9 | 4 |
| | | | | | | | |
| | | | | Total | £ 148,075 | 7 | 8 |

And, towards the close of this reign, they amounted to about 190,000*l.*

²⁰ Among several treatises published upon this subject, the best in support of the prerogative of the crown, is, "The question concerning impositions, fully stated," by Sir John Davis, his Majesty's Attorney General. Printed *anno* 1656. And the best defence of the rights of the people, "The Liberty of the Subject maintained against the pretended Power of Impositions." By William Hackwell. Printed *anno* 1641.

²¹ Hume, vol. vi. p. 51.

The disproportion between London and the out-ports is very great; and proves how considerable a share of the commerce of this country has uniformly centered in the capital.

5. Grants.

It was asserted by the famous Lord Salisbury, in a speech to parliament, that there are but three instances in the English history for 600 years, prior to James's accession, of a supply being refused by the commons when requested by the sovereign²²; and the first parliament that James assembled was as frugal of the public money as any of its predecessors, and would grant nothing but tunnage and poundage. The king, finding them determined, and being unwilling to have it supposed that his parliament and he were at variance, took the strange step of sending a message to the house, that he desired no supply, and was resolved not even to accept of a subsidy²³, when every person knew, there was nothing he so anxiously wished. The grants he received, during the whole course of his reign, were only as follows.

| <i>A. D.</i> | | <i>Year of his reign.</i> | | <i>Subs.</i> | | <i>Fift.</i> |
|--------------|---|-------------------------------|---|--------------|---|--------------|
| 1606 | — | 3 | — | 3 | — | 6 |
| 1610 | — | 7 | — | 1 | — | 1 |
| 1621 | — | 18 | — | 2 | — | 0 |
| 1624 | — | 22 | — | 3 | — | 3 |
| | | | | — | | — |
| | | | | 9 | | 10 |
| | | | | — | | — |

These were all the supplies granted by parliament; and of these, it is said by Hume, that the three subsidies and three fifteenths, granted *anno* 1624, amounting to about 300,000*l.*, being paid to parliamentary commissioners, ought not to be stated to the king's personal account²⁴. But this idea has been fully refuted by the female historian of this reign, who remarks that, though the commissioners received the money, yet they were totally ignorant how it was

²² Comm. Journ. vol. i. p. 395. Hume observes, that Salisbury was mistaken in this assertion. Vol. vi. p. 72 Note R.

²³ Comm. Journ. vol. i. p. 246.

²⁴ Vol. vi. p. 172.

expended; and as they were obliged to answer all money draughts made upon them by the crown, their power was merely nominal. "One penny of this money (the king declared) shall not be bestowed but in fight of your committees: but whether I shall send two thousand, or ten thousand, whether by sea or land, East or West, by diversion or otherwise, by invasion upon the Bavarian, or the Emperor, *you must leave that to your king*²⁵." It appears that a subsidy produced about 70,000*l.*, and a fifteenth about 36,500*l.*²⁶; consequently, the whole parliamentary grants received by James, amounted to about a million. To this, there are to be added about twelve subsidies from the clergy, which, at 20,000*l.* each, would produce 240,000*l.*; and one of the clerical subsidies was at the rate of six, and not of four shillings in the pound; and therefore yielded 10,000*l.* additional. One year with another, it is probable that he received, by parliamentary and clerical grants, about 60,000*l.* *per annum* during the course of his reign.

James had a price affixed to each rank of nobility, on the payment of which a grant was made out. The dignities of Baron, Viscount, and Earl, might be bought at the rate of ten, fifteen, and twenty thousand pounds: and we are told of four earls who purchased their respective patents, at the sum fixed upon, in one year²⁷. But the most complete instance of this mode of raising money, either in the reign of James, or, indeed, in the English history, is the creation of baronets. It is supposed, by our historians, that this was a plan invented by Lord Salisbury: but it is more probable that the idea originated with Sir Robert Cotton, who drew up, *anno* 1609, an account of "the manner in which the kings of England supported and repaired their estates." In this he remarks, that, "if his majesty would make a degree of honour hereditary as baronets, next under barons, and grant them in tail, taking of every one 1000*l.* in fine, it would raise, with ease, 100,000*l.*; and, by a judicious election, be a means to content those worthy persons in the commonwealth, that by the confused admission

6. Sale of honours.

²⁵ Macaulay's Hist. vol. i. p. 251.

²⁶ See Brief Declaration, &c. p. 70 and 71. Fifteenths formerly produced less, on account of the great deductions made for decayed towns.

²⁷ Franklyn's Annals, p. 33.

"of many knights of the *Bath*, hold themselves disgraced²⁸." The plan was carried into execution *anno* 1611: each baronet, by way of purchase for the honour, became bound to maintain thirty foot soldiers for three years, at eight-pence a day each, to assist the king's troops in the reduction of Ulster in Ireland. The price consequently was 1095*l*. Ninety-three were created, the sale of whose patents yielded 98,550*l*.²⁹

7 Monopolies.

Among the other sources of dissention between James and his parliaments, that which respected monopolies was of peculiar importance, being equally connected with the commerce and the revenue of the country. The king had annulled, of his own accord, all patents for monopolies by which any species of domestic industry was fettered: but all foreign trade, that of France excepted, was possessed by exclusive companies; and hence the navigation and commerce of the kingdom, were every day sensibly diminishing. "Thus" (in the strong expressions of Hume) "the trade of England was brought into the hands of a few rapacious engrossers; and all prospect of future improvement was for ever sacrificed to a little temporary advantage to the sovereign³⁰." *Anno* 1621, a patent which had been granted to Sir Giles Montpeyson and Sir Thomas Michell for licensing inns and ale-houses, and another to Sir Edward Villiers, for the sole making of gold and silver lace, came into discussion. The powers given to these patentees were so very exorbitant, and so rigorously carried into execution, that they naturally excited the indignation of parliament. Yelverton, the attorney-general, was fined 15,000*l*. for having drawn up the patents: Michell and Montpeyson were punished by fines, confiscation,

²⁸ This curious treatise is contained in a small volume, entitled, "*Cottoni Posthuma*," printed *anno* 1672: and the very same work, with some trifling alterations and differences, is printed *anno* 1715, under the title of "*A Treatise of the Rights of the Crown*, by William Noy, Esq. collected *anno* 1634." As Noy's work is printed separately, I have, in general, referred to it. But the work was certainly composed in the reign of James I., and most probably by Sir Robert Cotton. Dr. Smith, in his *Life of Sir Robert Cotton*, says, that it was drawn up at the desire of the Earl of Northampton, and that there are two copies of it in the Cotton library, one in Latin, and the other in English, as published in the *Posthuma*. See Carte's full *Vindication of the Answer to the Bylander*, p. 38.

²⁹ Brief Declaration, &c. p. 11. Besides some after creations.

³⁰ Hume, vol. vi. p. 23.

and imprisonment; and even Villiers, though supported by all the credit of his brother the Duke of Buckingham, suffered a species of banishment under the appearance of being employed in a foreign embassy³¹. At last an act was passed, by which all monopolies were condemned as contrary to law, and the known liberties of the people³²: An act which ought for ever to have put an end to so destructive a grievance. Anno 1624.

As early as the year 1604, James had begun the dangerous practice of compelling his subjects to lend him money on the security of the privy-seal: but it is not known how much he then procured, or whether any part of it was repaid³³. Two hundred thousand pounds were afterwards extorted under the same pretence. James's opinion on the subject, he took no pains to conceal: for when the commons petitioned, that no man should be enforced to lend money, or to give a reason why he would not, the king returned for answer, that in matters of loans, he would refuse no reasonable excuse; but that he did not wish to have his conduct directed by precedents drawn from the reigns of usurping princes, or a people too bold and wanton³⁴. 8. Loans.

James exacted, anno 1613, a sum to the amount of 52,000*l.* under the name of a *benevolence*; but so small an advantage was certainly no compensation for the odium and unpopularity of the measure. Nor was he much more successful in his second attempt: for though the case was said to be so urgent that it could not brook the delays that would attend assembling the parliament; and though it was collected to support the popular cause of the Elector Palatine, yet the people, anxious to discourage so pernicious a practice, at first very slowly and reluctantly contributed³⁵. 9. Benevolences.

The necessities to which this monarch was reduced, made him conclude a treaty with the States of Holland on terms, in a pecuniary view, 10. Money from the Dutch.

³¹ Parl. Hist. vol. v. p. 382. Hume, vol. vi. p. 108.

³² 21 Jac. cap. 3. ³³ Stevens, p. 269.

³⁴ Macaulay's Hist. vol. i. p. 60.

³⁵ This benevolence became at last more productive. One Barnes, a citizen of London, who refused to contribute, being ordered to prepare himself for carrying a dispatch to Ireland, had the meanness to submit to pay his quota; and no one afterwards ventured to deny his proportion. See Hume, vol. vi. p. 140. Note G.

indeed,

indeed, rather beneficial to himself, though, on the whole, not a little favourable to the New Republic. It has already been stated, that the Dutch were indebted to Elizabeth to the amount of 800,000*l.* Of this sum 200,000*l.* had been paid to James, and he was to receive the remainder at the rate of 40,000*l. per annum*, until the whole was discharged. But the payment depended upon a very uncertain contingency, namely, the continuation of a truce concluded between Spain and the United Provinces. The politic Elizabeth had been put in possession of the important fortresses of Flushing, the Brill and Ramme-kins, as a security for her debt: but the expences of the garrisons (which England was obliged to support) amounted to 26,000*l.* a year: consequently 14,000*l.* was all the clear profit that accrued from the annual payment; and the whole sum which the king could possibly receive, in the space of fifteen years, after defraying the necessary charges, was only 210,000*l.* The Dutch, however, being anxious fully to establish their independence, which remained insecure, whilst these important fortresses, the very keys of their country, continued in the hands of England, offered to take the garrisons into their own pay, and to give James 250,000*l.* for the immediate possession³⁶. The terms were accepted; and from the day on which these cautionary towns were evacuated, the complete establishment of the Dutch republic may be dated. Nor was this the only money that James inherited from his predecessor. He also received 60,000*l.* of the debt which Henry IV. of France owed to that princess³⁷.

June 6, 1616.

11. Licence
for fishing.

Anno 1608, the Dutch were compelled to pay an acknowledgment for the liberty of fishing on the British coasts: a source of revenue, which was attempted to be more fully enforced during the ensuing reign.

12. Fines.

The last source of James's wealth arose from the heavy fines which it was then customary to inflict. Forty thousand pounds were imposed upon the earl of Northumberland, and the lords Mordaunt and Stourton, who were suspected of having some knowledge of the famous gunpowder plot, and of concealing it from the king and his ministers. Sir John Bennet, judge of the Prerogative Court, was fined

³⁵ Hume, vol. vi. p. 80.

³⁷ Brief Declaration, &c. p. 11.

20,000*l.* The celebrated chancellor Bacon was sentenced to pay 40,000*l.* which however was remitted. The earl of Suffolk, who held the office of lord high treasurer, was fined 30,000*l.* by the court of Star-chamber; and the earl of Middlesex, in consequence of a parliamentary impeachment, was condemned to pay 50,000*l.* If these fines had been all exacted, they would have yielded the sum of 184,000*l.* and would have proved no small addition to this monarch's impoverished exchequer³⁸.

A particular account has been published of James's revenue, during the first fourteen years of his reign, from which it appears, that his ordinary income did not exceed 450,863*l.*: that the extraordinary sums he had received during that time, amounted to 2,200,000*l.* and that his ordinary disbursements exceeded his permanent income 36,617*l.* a year³⁹. *Anno* 1610 lord Salisbury declared in parliament, that the king was burdened with a great and urgent debt of 300,000*l.* His income, from all the different sources above enumerated, was probably about 600,000*l.* though his permanent revenue, including the grants of parliament, could not much exceed 500,000*l.* a year; especially, as during the latter part of his reign, he had some reason to complain of the parsimony of his commons. But that sum was sufficient to carry on the government of England in those days, under a frugal monarch, and in peaceful times, though very inadequate to the splendid manner in which James wished to live, and to those plans of hostility against the house of Austria, into which the Commons would willingly have plunged him.

Amount of
his revenue.

The scheme afterwards prosecuted by the long parliament, of raising money, by abolishing the order of bishops, and selling the lands belonging to the church, was first planned in the reign of James, and at one period was not a little encouraged by his favourite Buckingham⁴⁰. But the views and politics of the court, upon Charles's accession, took a very opposite direction.

Church
lands.

Anno 1624.

³⁸ From the brief declaration of his majesty's revenue, p. 11. it appears, that many of these were compounded for small sums, making in all about 16,000*l.* to which there is to be added 4000*l.* of fines for new buildings in and about London.

³⁹ An Abstract, or brief Declaration of the present State of his Majesty's Revenue, p. 5, and 9.

⁴⁰ Hume, vol. vi. p. 142. Macaulay, vol. i. p. 230.

The

Lottery.

The first lottery to any amount ever known in England, at least drawn under the sanction of public authority, was in this reign. The profit of it was principally dedicated to the expences attending the establishment of our settlements in America⁴¹, to retain the dominion of which, the produce of so many lotteries, loans and taxes, has of late been ineffectually expended.

Coin.

The quantity of specie coined in the reign of James, was about 5,432,000*l.* of which 3,666,000*l.* was in gold, and only 1,765,000*l.* in silver⁴². It still continued to be the practice to issue some base money for the use of Ireland.

It is impossible, in this place, not to regret the want of a performance which lord chancellor Bacon intended to compose upon the finances of England. In a letter to king James, dated 2d January 1618, he says, "God having done so great things for your majesty, it resteth that you do so much for yourself, as to go through (according to your good beginnings) with the rectifying and settling of your estate and means, which only is wanting: *hoc rebus deficit unum*. I therefore, whom only love and duty to your majesty, and your royal line, hath made a financier, do intend to present unto your majesty, a *perfect book of your estate*, like a perspective-glass, to shew your estate nearer to your sight, beseeching your majesty to conceive, that if I have not attained to that that I would do in this which is not proper for me in my element, I shall make your majesty amends in some other thing in which I am better bred⁴³." It does not appear that this promise was ever fulfilled; and the only valuable work of this great author, connected with finance, at this time known, is an account of the lately erected office of Composition for Alienations, said to have been composed in the reign of queen Elizabeth, about the end of the year 1598; which, though not written upon an important branch of revenue, yet fully proves what this great genius was capable of effecting, had he dedicated his time and his abilities to a full investigation of the extensive subject he had proposed.

⁴¹ Mort. vol. ii. p. 512.

⁴² Folkes on Coins.

⁴³ Bacon's Works, fol. edit. vol. iv. p. 673. Perhaps, the "Brief Declaration of the present State of his Majesty's Revenue," was drawn up to assist this distinguished author in the task he had undertaken.

C H A R L E S I.

It is difficult to judge impartially of the important events which took place during the reign of this unfortunate monarch.

On the one hand, when we contemplate Charles's private character and deportment, we are apt to consider the multiplied charges against him as malicious and ill-founded, and can hardly be persuaded, that an affectionate husband, an indulgent parent, and a generous master, could by any means be converted, as his enemies are apt to represent him, into a rapacious tyrant, determined to pillage the property, and to trample on the rights and privileges of his subjects. But on the other hand, if our attention is solely fixed upon public transactions, we naturally run into a very opposite extreme. Even Hume, who has defended this prince's conduct with subtlety, ability, and perseverance, does not scruple to confess, that Charles assumed powers incompatible with the principles of a limited government; and that his disasters ought to be ascribed, neither to the rigours of destiny, nor to the malignity of his enemies, but to his own precipitancy and indiscretion⁴⁴.

These topics, however, are better suited to a political, than to a financial history of England; nor is it proposed to enter into the various important questions agitated at that time, excepting so far as they may be connected with the particular object of this work.

I. Expences.

Though Charles, at his accession, inherited a crown and kingdom apparently in the most flourishing situation, and enriched, during the course of his father's peaceful, but inglorious administration, yet he had many difficulties, both foreign and domestic, to encounter.

The conquest of the Palatinate, and the injurious manner in which it was pretended the court of Spain had acted, whilst Charles's marriage with the infanta was negotiating, had occasioned, not only a rupture with that powerful kingdom, but a war with Ferdinand II. emperor of

War with
Spain.

⁴⁴ Hist. vol. vi. p. 472.

Germany, one of the ablest and most powerful monarchs that ever sat upon the Imperial throne: and the king declared to parliament, that it would require at least 700,000 *l.* a year to carry on these hostilities effectually⁴⁵.

2. War with
France.

Though Charles was baffled in all his attempts against the emperor and the Spaniards; though he had found how unwilling his parliaments were to grant him supplies; and how difficult, if not dangerous, it was to raise money by other means; and though his connection with the House of Bourbon ought to have rendered him cautious of rashly entering into a contest with that powerful family, unless on grounds of great weight and moment, yet hurried on by the capricious Buckingham, he ventured to engage in a war with France, even before hostilities against Spain were concluded. This enterprize alone, was much beyond the impoverished state of Charles's finances. An expensive expedition, however, was undertaken to the Isle of Rhe; and five subsidies granted by parliament, *anno* 1628, were expended in an attempt to relieve Rochelle, which, by the artifices of the English court, had been drawn into a rebellion. But Charles was unsuccessful in every foreign enterprize he undertook: and when a peace was concluded, instead of securing terms of oblivion and indemnity to the unhappy Huguenots whom he had pledged himself to support, he abandoned them to the mercy of their sovereign, after fruitlessly, but it is probable, feebly attempting to procure some stipulation in their favour⁴⁶.

3. War with
Scotland.

The inglorious foreign wars into which Charles had entered, were terminated by separate treaties of peace. The first was concluded with France, *anno* 1629; the second with Spain, *anno* 1630; and for about ten years afterwards Charles governed his dominions in peace, and managed his own revenue, together with the sums which he exacted from his subjects, with such a rigid œconomy, that he not only paid off the debts

⁴⁵ Hume, vol. vi. p. 206.

⁴⁶ "Les Reformes de France n'y furent point compris. Une si grand infidelité après des paroles authentiquement données, et souvent reiterées, sera une flétrissure éternelle à la memoire de l'infortuné Charles I." Vassor Histoire du Regne de Louis XIII. tom. vi. p. 110.

He had contracted during the Spanish and French wars, but also contrived to amass treasure to the amount of about 200,000*l*. Perhaps this circumstance gave him some encouragement to engage in an enterprize to which all his misfortunes may be ascribed. Impelled by deference for his clergy, and perhaps by a real conviction of its importance, he resolved to establish a similarity in ecclesiastical government and ceremonies throughout all his dominions; and in particular to introduce a liturgy into Scotland, however obnoxious to the natives of that country. The Scots, strongly attached to the doctrines and discipline of Calvin, determined to oppose a system which they considered as equally subversive of sound religion, and contrary to sacred authority. No obstacle, however, could alter the king's resolution: and though very moderate concessions at first would have appeased the tumults in Scotland, yet concessions were never made until it was too late, and until time had ripened new demands, which were as resolutely insisted on. Twice did Charles put himself at the head of formidable fleets and armies for the reduction of Scotland; but in vain: for the Scots acted with equal valour and prudence, and the English in general reluctantly supported his attempt, justly conjecturing, that the conquest of the Scots would prove a prelude to the utter ruin of their own liberties. The expence attending these hostilities, reduced the king to such distress, that he found it necessary again to have recourse to parliament; and concessions were extorted from him, which enabled the commons to trample upon the crown, and emboldened the army they had raised, to destroy both the king and the constitution.

To the credit of Charles it is to be remarked, that he spared no expence to render his navy formidable. At sea, he had no rival in Europe. The Dutch were compelled to pay 30,000*l*. for the liberty of fishing on the British coasts; and Africa, for the first time, felt the maritime force of this country; Sallee, the principal receptacle of the Turkish pirates, being destroyed by an English squadron⁴. Even the mound which Richelieu erected across the harbour of Rochelle, was a confession that it could never be conquered by the arms of France,

4. Naval expences.

⁴ Macaulay, vol. ii. p. 228.

whilst it remained accessible to the powerful fleets of which England was then mistress⁴⁸.

5. Personal
expences.

This monarch, with all his frugality, affected much the state and splendor of a king. He kept up twenty-four palaces, all of them so completely furnished, that when he removed from one to another, he was not obliged to transport any article of furniture along with him. His collection of pictures was the most valuable in Europe, and he spared no expence, nay he rivalled Philip IV. of Spain, the master of the Indies, in endeavouring to engross the most valuable productions of the ablest artists⁴⁹.

6. War with
parliament.

It has been much controverted, to whom the odium ought to be ascribed of the fatal rupture between this monarch and his parliament. Both parties had grounds sufficiently plausible at the commencement of the dispute, to justify their proceedings. The king had to plead the arbitrary system of government practised by his immediate predecessors; whilst the commons, with justice, urged more ancient precedents favourable to the liberties of the people, and indeed the unalienable rights of natural freedom. In the progress of the contest, as might naturally be expected, both were equally to blame. The commons cannot well be defended, for not endeavouring, in the first place, to gain the king, by soothing arts, rather than having recourse to violence; and the proposals which they made in the earlier part of the war, were too harsh and rigorous. But it can hardly be denied, that the illegal means which the king adopted for raising money; the dangerous and exorbitant prerogatives which he claimed; and the tyrannical manner in which both he and his ministers acted, "rendered an opposition to the measures of the crown not only excusable, but laudable in the people"⁵⁰.

Let us next consider from what sources his income was derived.

⁴⁸ The French had then no idea of rivalling England at sea. It appears from *Le Vassor's Histoire du Regne de Louis XIII. Liv. xxv.* that the fleet of France, at the siege of Rochelle, amounted only to about forty vessels, and the Spanish squadron to thirty-six more, but very ill equipped. The superiority of the English fleet, when it amounted only to seventy sail, is acknowledged by the king's ministers. *Tom. v. part 2. p. 763, 764.* But it was afterwards increased to about 140 sail; and then, says Vassor, "C'étoit une des plus belles armées navales, qu'on eut vue depuis long-tems." p. 833.

⁴⁹ Hume, vol. vii. p. 341.

⁵⁰ Ibid. vol. vi. p. 304.

2. Income.

It is probable that the crown lands yielded a greater revenue in the reign of Charles I. than under the government of his father. It is certain, that a strict enquiry was made into the rights by which individuals held such lands as originally composed a part of the royal domain; and, after the example of Elizabeth, some money was raised, by compounding with those whose titles were defective. One of the means also by which the king was enabled to raise an army for the reduction of Scotland, was borrowing 300,000 *l.* on the security of his demesnes. ^{1. Demesnes.}

The jealousy which parliament entertained of the house of Stuart, rendered the commons very sparing of their grants to the monarchs of that race. Nor were they so valuable as formerly. In the eighth year of Elizabeth, a subsidy amounted to 120,000 *l.*; in the fortieth, it fell to 78,000 *l.*, and its produce *anno* 1640, had fallen to 50,000 *l.* ^{2. Grants.} Subsidies were a tax upon income; and as the wealth of the country was rapidly increasing, no reason can be assigned for the decrease of the produce of this tax, but the fraudulent practices of the assessors, who wished to cultivate the favour of the people by moderate assessments, or who countenanced every means of evasion, to diminish the value of the grant, when the government happened to be unpopular ²².

The grants which Charles received may very easily be enumerated. His first parliament granted him two subsidies from his Protestant, and four from his Roman-catholic subjects, which together are supposed to have yielded about 112,000 *l.*; and the Commons were at that time so very parsimonious, that they rejected a motion for adding two-fifteenths to their former inconsiderable donation ²³. The next parliament that was assembled, voted four subsidies, and three-fifteenths; but

²² In the famous Remonstrance, 15th Dec. 1640, it is said that six subsidies, and a poll-bill, equal to six more, would yield 600,000 *l.* It is certain that parliament would not diminish their value, and consequently a subsidy cannot be accounted worth more than 50,000 *l.*

²³ Davenant, vol. i. p. 33.

²⁴ Rush. vol. i. p. 190.

it was hastily dissolved before the vote passed into a law. His third parliament granted five subsidies, in consideration of which, the famous petition of right received the royal assent. This grant did not exceed 250,000*l.* But the manner in which this mark of the liberality of parliament was received, deserves to be commemorated. When secretary Cook informed the king of the sum that was voted, his majesty was anxious to know by what majority it had been carried. "By One," the secretary replied; and when the king seemed to be disturbed with the information, he added, "Your majesty has no cause to be alarmed, for the House was so unanimous in making the grant, that it seemed to have but One voice." It is said, that tears of affection started in his eyes, when he was told of this concession ⁵⁴.

These, amounting to seven subsidies, and producing only about 372,000*l.* were the only grants which Charles received from his Commons, prior to the meeting of the long parliament, by whom six subsidies and a poll-tax were voted before the commencement of the civil war. But the produce was appropriated to pay the English and Scotch armies, and the money was given to commissioners, appointed by parliament, and not to the treasury. It is worthy of observation, that the king demanded twelve subsidies, about 600,000*l.* in lieu of his claim to ship-money; and he offered, in consideration of that sum, to consent to its being abolished, in any manner that was thought most effectual. This proposal was, with the greatest propriety, rejected; as any bargain to procure the remission of that odious duty, would have been a kind of acknowledgment that it had been legally levied. It was proposed to raise the sum in the space of three years, and consequently at the rate of only 200,000*l.* a year. It will appear, in the course of this chapter, what considerable sums were soon afterwards collected in England; and yet to prove how ignorant men generally are to what extent taxes may be carried, it was asserted in parliament, by persons who were supposed to understand well the state of the nation, that twelve subsidies in three years was a greater sum than could be raised in all England ⁵⁵.

Anno 1640.

3 Clerical
grants.

During the reign of this monarch, the fortunate consequences which resulted from the dissipation of the revenues of the church, were clearly

⁵⁴ Hume, vol. vi. p. 245.

⁵⁵ Clarend. vol. i. p. 136.

discovered,

discovered. Had that valuable property remained within the grasp of the crown, the king might easily have defrayed all the expences which he could possibly have incurred, without requiring the assistance of parliament; and all controul on the regal authority must have been for ever at an end. Notwithstanding the great diminution of the property of the church, the assistance which Charles drew from the clergy was considerable. Besides voluntary contributions, he received, in the earlier part of his reign, eight subsidies, which at 20,000 *l.* each, amounted to 160,000 *l.*; and it should seem, that another subsidy was granted, *anno* 1640; for the long parliament loudly complain of a tax having been imposed by the Convocation, after the former parliament had been dissolved⁵⁶.

It has already been stated, that Elizabeth had reaped some pecuniary benefit, by dispensing with the penal laws, enacted against those who adhered to the Roman catholic religion. This expedient Charles had recourse to; but instead of secret compositions, a commission was openly granted, and the popish religion became an avowed and regular source, of revenue⁵⁷: A step highly impolitic at a time when his subjects in general were so strongly impressed with the most inveterate prejudices against the professors of that religion.

4. Composition with Roman catholics.

James I. had conceived a ridiculous idea, that a king of England would be degraded if he should espouse any princess not of royal extraction, and indeed that the daughters of France or Spain were the only females to whom his son ought to be married. In consequence of this notion, he had entered into a tedious negotiation with the court of Spain, which was broken off through Buckingham's caprice and indiscretion, much to the king's regret, who was to have received a dowry with the infanta, of two millions of pieces of eight, equal to 600,000 *l.* sterling. Upon the failure of that plan, James made proposals to the court of France, the consequence of which was, the marriage of Charles to Henrietta, daughter of the famous Henry the Great. Her portion was greatly inferior, being only 400,000 crowns; neither was it paid until some years after the marriage was concluded; but it came at last very opportunely for Charles, in the midst of his greatest pecuniary distresses⁵⁸.

5. Queen's portion.

⁵⁶ Mort. vol. ii. p. 544.

⁵⁷ Rush. vol. i. p. 413.

⁵⁸ Stevens, p. 276.

6. Fishing
licence.

The question how far the sea can be made the property of any particular nation, has been much controverted; and two learned authors (Selden and Grotius) were employed by the respective governments under which they lived, the first to support, and the second to oppose this species of dominion. But Charles knew that superior strength at sea was the only argument by which such pretensions could be supported; and having, by means of the illegal imposition of ship-money, equipped a formidable fleet, he ordered the admiral, Algernon, earl of Northumberland, to sail to the northern coasts of his dominions, and to drive away all vessels fishing in their neighbourhood without licence. The Dutch, against whom this equipment was particularly aimed, were glad to pay 30,000*l.* for the liberty of fishing that year; and the king would have persevered in exacting an annual tribute for permitting them to fish on the British coasts, had not his attention been taken up by more important objects.

7. Customs.

Anno 1629.

One would imagine it was impossible for the warmest friend of the unfortunate house of Stuart to justify the steps which Charles pursued, in respect to exacting the revenue of the customs for so many years without legal authority, and in a manner so harsh and oppressive. He himself declared to parliament, that he did not mean to levy the duties of tunnage and poundage as belonging to him by hereditary right, but out of the full persuasion that the House of Commons would grant them by bill⁵⁹. And it appears from the history of these taxes, the origin and progress of which have been traced in the preceding part of this work, that the Customs, instead of having originally been a permanent branch of the royal income, arose from a voluntary consent of the people by their representatives in parliament.

Though the law was clear, the practice was very irregular. Ever since the accession of the House of Tudor, the duties of tunnage and poundage had been levied without intermission; and though granted only for the life of the reigning sovereign, yet his successor continued to exact them, trusting to the future sanction of parliament. Charles, at his accession, had continued a practice, on which so considerable a branch of his revenue depended; and he would probably have received a grant for life, as had been given to his predecessors, had not

⁵⁹ Parl. Hist. vol. viii. p. 256.

the Commons required it as a preliminary, that he should, for once, entirely desist from levying these duties. He hastily dissolved the parliament rather than agree to their proposal. This important controversy was at last determined in a manner unfavourable to the crown. The exaction of the duties, was not totally abstained from, but they were granted only for two months; and the grant was renewed from time to time, for very short periods. Care also was taken, to assert, in the strongest terms that could be conceived, the exclusive right of parliament to bestow the grant; and in the preamble to the bills that were passed, all pretensions that the crown could make, to levy the duties by its own authority, were for ever annulled⁶⁰. An. 1640.

It is said, that the customs, previously to the civil wars, had been raised to 500,000 *l.* a year in consequence of the increase of commerce, and the additional impositions which had been laid on by Mary, Elizabeth, and James⁶¹: an account {that seems, however, to have been exaggerated.

But Charles, not satisfied with exacting impositions, which, though in some degree sanctioned by custom, yet were unquestionably illegal, was imprudent enough to attempt to levy a new tax, to which the nation had not been accustomed; and the illegality of which was, consequently, the more apparent. It is said, that a species of ship-money was imposed by Elizabeth *anno* 1588: but, besides, that one precedent, particularly in so arbitrary a reign, is not a sufficient justification; it is farther to be remarked, that Elizabeth exacted ships, and not money; that every exertion was necessary to oppose so destructive an invasion as that of the Spaniards; and that, notwithstanding the danger and urgency of the case, so moderate were her demands, that many of the ports, London in particular, of their own accord, sent double the number of ships that were required. 8. Ship-money.

This monarch's first attempt to levy ship-money, was *anno* 1626; and the precedent afforded in the reign of Elizabeth, was pretty strictly adhered to; for the maritime towns only were required to furnish ships, and the adjacent towns were ordered to assist in the equipment. Twenty ships were the proportion of London, and the other towns were rated accordingly⁶². First exaction of Ship-money.

⁶⁰ 16 Car. I. cap. 8.

⁶¹ Hume, vol. vii. p. 340.

⁶² Ibid. vol. vi. p. 224.

Second ex-
action.
An. 1635.

But this claim was afterwards carried to a much greater extent. It is asserted, that the situation of Europe in general, and the rapid increase of the Dutch republic, in commerce, and in maritime strength, and the successful piracies of the Barbary corsairs, who infested the very coasts of the kingdom, had rendered it necessary for Charles to equip a fleet sufficient to support the naval dignity of his crown, and the commercial interests of his kingdom. The only obstacle was the low state of his exchequer.

In this emergency, he applied to Noy, then his attorney-general; a very able lawyer; whose advice was, to extend the imposition of ship-money over the whole kingdom; the crown being entitled, he affirmed, to levy a naval aid for the public defence in time of necessity⁶³. But Charles, not satisfied with this authority, or willing to have it strengthened by every means in his power, and anxious to prevent, if possible, all opposition to so favourite a measure, required the opinion of the twelve judges on the case, who unanimously declared, "That when the good and safety of the whole kingdom is concerned, the king might command all his subjects, at their own charge, to provide and furnish such number of ships, with men, victual, and munition, for such time as he thought fit, for the defence of the kingdom, and that he was the sole judge both of the danger, and how the same is to be prevented⁶⁴." It is to be observed, that this opinion, though generally accounted decisive in favour of the crown, yet is very cautiously worded. It is not stated, that the king could legally levy money by his own authority: nothing could be raised but ships, men, victuals, and ammunition in kind, nor is any power of conversion insinuated.

Hambden's
trial.
Anno 1637.

In opposition to this public declaration of the very judges before whom his cause must be tried, and undismayed by the power of the crown, which was then supposed to be uncontrollable, and which, he knew, would be stretched to the utmost, to wreck its vengeance on any one who first ventured to resist its authority, John Hambden, an Englishman, equal in zeal, courage, and integrity, to the most re-

⁶³ Noy is said to have examined, at this time, all the precedents of levying money by regal authority; and hence, it is probable, arose the supposition of his being the author of Cotton's Treatise on the Rights and Revenues of the Crown. He died soon after that ship-money began to be levied.

⁶⁴ Stevens, p. 277.

nowned patriots of antiquity, refused to pay the inconsiderable sum of twenty shillings at which he was assessed, and resolutely determined to hazard any consequences, rather than submit to the imposition. A suit was instituted by the crown to compel the payment, and the cause was solemnly argued for twelve days before all the judges of England. Notwithstanding the convincing arguments urged in his defence⁶⁵, only four of the judges gave an opinion in his favour, whilst eight supported the legality of the tax. This victory, however, was so generally odious and unpopular, that it was equivalent to a defeat. It roused the indignation of the people at large, and occasioned that firm and steady opposition to the measures of the court, which it afterwards encountered.

Charles had proposed to the fourth parliament he had assembled, in consideration of twelve subsidies, to agree to the abolition of ship-money, in any manner it should think proper. But the Commons wisely refused to give the slightest countenance to so illegal an imposition; and one of the first steps which the Long Parliament took, was, to vote that ship-money was arbitrary and illegal. The sentence against Hambden, also, was declared contrary to law. The judges who had given their opinion in favour of ship-money were impeached, the officers employed in collecting the duty were declared highly culpable, and a law was passed, by which this obnoxious impost was for ever abolished⁶⁶.

Abolition of
ship-mon'y.

Ship-money was raised, during the space of four years. It was computed to yield about 200,000*l.* a year: consequently, it must have produced, altogether, the sum of 800,000*l.*

Its produce.

An attempt was made, during this monarch's reign, not only to maintain a fleet, but also to levy, and to support an army, without the sanction of parliament. Every county in England was ordered to raise a certain number of horse and foot, and to furnish a certain number of carriages, at their own charges, for prosecuting the war against the

g. Levying
soldiers.

⁶⁵ Nothing can be drawn up with more ability, than the general view which Hume has given of the arguments against ship-money, vol. vi. p. 314. See also Macaulay, Appendix to vol. ii.

⁶⁶ 16 Car. I. cap. 14.

Scots⁶⁷. These military operations were carried on, through the medium of the lords lieutenants, in the different counties, and their conduct was justified by some ancient precedents, in times of danger and invasion; but no express statute could be produced in support of the measure. It was, therefore, voted illegal by the Long Parliament; and such as had exercised any powers of that nature, were declared guilty of delinquency.

10. Monopolies.

Charles, not contented with the exercise of lucrative prerogatives, on very slender legal pretences, had also, rashly, endeavoured to raise money in opposition to the express words, or at least, in evident contrariety to the spirit of a recent statute. It has already been observed, that a law was passed *anno* 1624, by which all monopolies were prohibited: but an exception had been admitted in favour of new inventions; under which slight pretence, the former grievance was renewed, and the kingdom again filled with exclusive patents, to the ruin of industry and commerce. Not only salt, soap, leather, and other useful articles were put under harsh restrictions; but grants were made out for gauging red-herrings, for marking butter casks, and for gathering rags⁶⁸. The king, afraid of the consequences, or ashamed of having adopted such ridiculous expedients for raising money, abolished about thirty of these destructive patents, when he undertook the first expedition against Scotland. But the people were not satisfied with a partial diminution; and the long parliament had no sooner assembled, than it annulled all the remaining monopolies; and as a proof of how much they detested so illegal a measure, expelled at once such of its members as were at all concerned in them⁶⁹. It is said, that Charles had raised, by these patents, about 200,000 *l.* of which (according to Clarendon) scarcely 1500 *l.* came into the king's coffers.

21. Loans.

It is natural to conjecture, that a prince, reduced to such necessities as Charles experienced, would pursue the ancient practice of exacting compulsive loans from his subjects; and, indeed, as early as the second year of his reign, letters, under the privy seal, were sent to the

⁶⁷ Hume, vol. vi. p. 372. In Stevens, p. 279, may be seen lists of the troops, &c. which each county was ordered to furnish. This author is much puzzled by the different lists of horses, not adverting, that one list is, of horses to mount the cavalry, the other, of horses to draw the carriages with ammunition, &c.

⁶⁸ Stevens, p. 283, 284.

⁶⁹ Hume, vol. vi. p. 374.

wealthiest persons in the kingdom, demanding the loan of certain sums, in proportion to their supposed ability; and promising to repay the money that was borrowed, in the space of eighteen months⁷⁰. About 200,000*l.* was raised by this unpopular expedient. *Anno* 1626, the loan of 100,000*l.* was demanded from the city of London, which it had the spirit to refuse. Nor did the old plan of a benevolence, attempted at the same time, prove more successful. But the boldest measure of that nature, was the exacting of a general loan. Four subsidies, and three fifteenths, had been voted by Charles's second parliament. A sudden dissolution, however, prevented the grant from passing into a law; and the king, instead of calling a new parliament, resolved to demand those very subsidies from the people under the name of a loan. The most violent and arbitrary measures were made use of to compel the payment. Such as refused were imprisoned; were loaded with a number of soldiers illegally quartered upon them; and by various other oppressions, were made sensible of the king's anger and resentment⁷¹.

The partiality of that able historian Hume, in favour of the house of Stuart, is not a little conspicuous, in his calling the most illegal extortions, by the softer name of irregular levies of money⁷². But however acts of tyranny may be palliated by ingenious men, yet they will still appear to the impartial and the unprejudiced, in their real colours. Charles had ventured to threaten the Commons, if he was not furnished with supplies in a legal manner, that he should be obliged to try *new councils*⁷³; or, in other words, would raise money without their authority; and a commission was issued accordingly, appointing thirty-three commissioners to meet, and concert among themselves, the methods of levying money by taxes, or by other means, "where" (in the words of the commission) "form must be dispensed with, rather than the substance lost." The intention evidently was, to contrive the means of raising money by prerogative alone⁷⁴. In consequence of a spirited

12. Extor-
tions.

⁷⁰ Stevens, p. 274.

⁷¹ Many of the lower people were compelled to enlist as soldiers, or seamen; and Glanville, an eminent lawyer, was forced to accept of an office in the navy, for having refused to contribute. Hume, vol. vi. p. 230.

⁷² Hume, vol. vi. p. 295.

⁷³ Ibid. p. 241. 248.

⁷⁴ Ibid. p. 218 and 257.
application

application from the House of Commons, this commission was annulled: but it clearly proves in what manner the king would have reigned, had his power been equal to his inclination.

Though this commission was cancelled, yet it did not prevent Charles from pursuing many arbitrary measures, in order to extort money from his subjects. Large fees were annexed to new invented offices. Every county was obliged to maintain a muster-master, appointed by the crown, for exercising the militia. The vintners were driven, by the terrors of fines and prosecutions, to submit to an illegal imposition upon all the wine they retailed. An ancient duty for furnishing the soldiery with coat and conduct-money, which had long been abolished, was revived. It was intended to coin base money, and to circulate it by proclamation. Heavy fines were imposed in the star-chamber, and high commission courts. Sir David Fowles was fined 5000*l.* for dissuading a friend from compounding with the commissioners of knighthood. Thirty thousand pounds were exacted from those who had trespassed upon an obsolete law against converting arable lands into pasture. Encroachments on the king's forests were punished in a similar manner. Proclamations were issued, commanding the nobility and gentry to retire to their country seats, and not to spend their time idly in London. If convicted of transgressing this arbitrary regulation, they were severely mulcted by the star-chamber. It was contended, that proclamations had equal authority with laws; and such as ventured to disobey them, were heavily fined, and in some instances, condemned to the pillory⁷⁵. In short, more tyrannical steps could hardly be taken by the greatest despot on earth.

Of all the unpopular expedients adopted by Charles, to raise money without the consent of parliament, the only one that had any pretensions to legality, was that by which, in imitation of precedents, taken notice of in the former part of this work, persons possessed of a certain income, in land, were obliged to receive the order of knighthood. By a law, passed in the reign of Edward II., a knight's fee was fixed at twenty pounds a year. In the reign of Henry VI., it was raised to forty pounds. The law, though not repealed, had not been

⁷⁵ Hume, vol. vi. 296. Macaulay, vol. ii. p. 218.

enforced for many years, and was almost forgotten ⁷⁶. But Charles was resolved to revive any act from which profit might be derived; and it is said, that by compounding with some, and fining others who refused to appear in obedience to the king's mandate, about 100,000 *l.* was exacted ⁷⁷. It was thought, however, not a little oppressive, that the great decrease in the value of money should not be considered, and that those possessed of so small an income as forty pounds a year, should be obliged to accept of an honour they were unable to support. The letter of the law might be against them, but its spirit was evidently in their favour.

There is also the strongest reason to believe, that Charles was determined to take any step, that ambition or tyranny could dictate, rather than submit to the legal trammels of a limited government. It is known, that a commission was granted, and even money remitted to Germany, for the purpose of raising a thousand horse, to be transported into England. It is urged; in extenuation, that the number was too small for establishing a despotic government in this country. But though the force was apparently trifling, yet the king might easily have added a formidable body of foot to these foreign mercenaries; and thus have been enabled to levy those excises, and other taxes, which, it is said, he intended to impose by his own authority ⁷⁸. This dangerous measure was prevented by the interposition of parliament.

System of
military des-
potism.

It is hardly to be disputed, that Charles might have got over all his difficulties, if it had not been for the war he rashly entered into with his subjects in Scotland. It appears, that his revenue, from 1637, to 1641 inclusive, amounted, *communibus annis*, to 895,819 *l.* 5 *s.* of which, however, 210,493 *l.* 17 *s.* 4 *d.* arose from ship-money, and other illegal exactions ⁷⁹. But, on the whole, it was fully adequate to the ordinary expences of the crown, though it could not defray the charges of war, and other burthensome contingencies.

Amount of
his revenue

When the fatal contest, between the king and his parliament, was at last brought to the decision of the sword, he found the utmost difficulty in providing resources for the maintenance of his forces. The capital,

Supplies
against par-
liament.

⁷⁶ Naunton's *Fragmenta Regalia*, p. 4.

⁷⁷ Stevens, p. 275.

⁷⁸ Rush. vol. i. p. 612.

⁷⁹ Comm. Journ. vol. viii. p. 150.

and

and the wealthiest part of the kingdom, supported the parliament; and the only money that he could raise, was by pawning the jewels of the crown; by melting down the plate of the two universities, which they generously sent him; and afterwards, by imitating the example of his opponents in levying assessments, and even excises, in those districts where his authority was acknowledged. But the voluntary contributions of those who adhered to the crown were his principal resource. It is said, that the marquis of Worcester alone, supplied the king with 100,000 *l.*; and the exertions of the marquis of Newcastle, who devoted his whole fortune to the support of the royal cause, were no less remarkable⁸⁰.

Tax on cards. Among the other taxes contrived by this monarch, one deserves to be mentioned on account of its singularity, namely, a tax upon cards. Every pack was ordered to be *sealed*, by an officer appointed for that purpose, previously to its being sold. The tax was far from being high, nor was it in itself exceptionable; but it met with some opposition on account of its illegality⁸¹.

Coin. The additional quantity of specie coined during the reign of Charles, when compared to that of his immediate predecessors, is a strong proof how rapidly the wealth and commerce of England were increasing. It is computed by Folkes, that during his reign, 12,096,220 *l.* sterling was coined in gold and silver; a greater sum than during the two reigns of James and of Elizabeth. But authors have, in general, omitted to remark, that Spain sent considerable quantities of bullion to be coined in our mint, which was afterwards carried to Flanders; and the property of which did not belong to the natives of this country. They had only the profit of the coinage, and the benefit of the transportation⁸².

Petition of right. This reign is distinguished by the famous petition of rights having passed into a law; the object of which was to procure a full confirmation of the most important privileges of the nation. Among the other articles which it contained, some of which are of such moment, as to have produced almost a total revolution in the nature of our government; there is one clause by which it is particularly declared, "that no gift,

⁸⁰ Stevens, p. 288.

⁸¹ Rush. vol. ii. p. 103.

⁸² Walker's Hist. Independ. part ii. p. 193.

“ loan, benevolence, tax, or such like charge, shall be exacted without common consent, by act of parliament⁸¹.” Since this valuable statute was enacted, these ancient modes of extortion have never been revived.

The fatal catastrophe of this monarch's reign, is too well known to require being mentioned. In justice, however, to Charles, it may be remarked, that it was natural for a prince, like him, educated with high notions of the inherent prerogatives of the crown, supported by the example of his predecessors, and ignorant that a monarchy could exist under such limitations as parliament wished to establish, should gradually be led into that train of conduct which he unfortunately pursued. Indeed, when once suspicions and jealousies arise, it is impossible to say, to what lengths the most respectable characters may be hurried, amidst the heat of party, and the ardour of intestine violence. On the other hand, it is equally necessary to observe, in behalf of those illustrious patriots, who first resisted the exorbitant claims of the crown, that whilst a Pym, a Hambden, and an Essex, conducted the opposition in parliament, though they demanded rather harsh concessions, yet that they still had the establishment of a limited monarchy in view. The side to which they leaned, that of liberty, was founded on the most noble, and the most generous principles. They knew well, that advantage must be taken of the existing circumstances in their favour; that such another opportunity might never again recur; and that the crown stood a better chance of adding to its prerogative, than the people to their privileges. As to the violences of an after period, the trial of the king, his condemnation and death, and the establishment of military despotism under Cromwell, they took place when these patriots were no more; when civil government was at an end, and when England lay at the mercy of an ignorant, fanatical, and desperate soldiery, headed by a daring, artful, and profligate usurper.

Reflection.

The Commonwealth.

Under this general name, it is proposed to comprehend the various republican and military systems of government, which took place from

⁸¹ 17 Car. I. cap. 41.

the commencement of the civil war to the reflation: An æra, during which the public expences were very great, and indisputably superior to those of any former period in our history. Even before the war broke out, parliament found it necessary to provide a considerable supply for disbanding the troops which the king had raised for the reduction of Scotland; and to vote 850*l.* a day, for the subsistence of the Scotch army, to prevent its plundering the northern counties of England, of which it was then in possession. Three hundred thousand pounds also were granted to the Scots, as a reward for their brotherly assistance²⁴. But these were inconsiderable sums, when compared to the heavy charges which were afterwards incurred.

Expences.

It is a saying attributed to Milton, that, as a republic was the least expensive, it was consequently the best of governments; nay, that the trappings of monarchy would defray all the charges of an ordinary commonwealth. The history of the republic of England does by no means justify this observation.

It is not proposed, however, minutely to investigate the expences incurred during the time of the commonwealth: for, it is impossible now to make up an accurate statement of them, in consequence of the great fluctuation and instability of government, and of the frauds practised by those to whom the custody of the public money was committed. It will be sufficient to remark, in general, that the tedious and bloody contest which parliament carried on against the crown, was attended with charges, perpetually increasing, in proportion as the armies became more numerous, and hostilities were more extended: That considerable expences were incurred by the republic, before the reduction of Ireland was accomplished, and before Scotland (where, after the death of his father, Charles II. was proclaimed king), could be finally subdued: That successful wars were carried on against the Dutch, who were obliged to crouch under the superior strength and vigour of the new republic; and against the enfeebled monarchy of Spain, from whom

²⁴ Macaulay, vol. iii. p. 22.

two important possessions, Jamaica and Dunkirk, were conquered during the administration of Cromwell: And that, even in time of peace, a formidable fleet, and a numerous army, were maintained, to support the authority of the new government at home, and to render it more respectable abroad. But all these services, however extensive and important, could not have exhausted the immense treasures, which, from various sources, flowed into the coffers of the republic.

Resources.

When the long parliament assembled, no idea was entertained of the bloody and destructive disturbances which afterwards took place. It proceeded, therefore, to levy money conformably to ancient usage; and, instead of assessments, and other modes of exaction afterwards practised, six subsidies, and a poll-tax equal to as many more, were granted, for disbanding the English and Scotch armies, who then raged in the very bowels of the kingdom. The produce of these grants, however (for they were given at different times), was not confided to the treasury, but was ordered to be paid to parliamentary commissioners appointed for that special purpose.

It was soon discovered, that the disputes between the crown and parliament had been carried to such a height, that they must unavoidably proceed to some fatal extremities; and at the commencement of the civil war, the conduct of the parliament was so popular, and it was held in such high estimation by the public, that incredible sums of money were raised by voluntary contribution. The plate of almost every inhabitant in London was brought in, to be coined for its support: no article, however mean, no ornament, however valuable, was spared. The very thimbles and bodkins of the women were not withheld: every one was anxious to maintain the cause of the godly against the king and the malignants^{ss}.

Voluntary
contribu-
tions.

But it was impossible, that an expensive war could be long supported upon so slender a foundation, as the temporary fervour of the people.

Land tax.

^{ss} Hume, vol. vi. p. 539, 540.

The parliament therefore resolved, in order to provide for the better sustenance of their forces, to levy assessments on the personal and landed property of the people. These assessments varied, according to the exigencies of the times, from 35,000 *l.* to 120,000 *l.* a month. They were found so productive, and in every respect so much superior to the ancient mode of subsidies, that under the denomination of a land-tax, they have since formed a very considerable branch of the public revenue.

Weekly
meal.

But armies must be recruited as well as raised; and for that purpose, a very singular impost, suited to the spirit of the times, was laid on by the parliament. Every person was obliged to retrench a meal a week, and to pay the money thereby saved into the public treasury. This whimsical tax produced 608,400 *l.* in the six years during which it was imposed⁸⁶.

Excise.

To the long parliament we owe the first establishment of excises in this country. It is supposed, that the famous Pym was the person by whom the plan was originally proposed. It was at first laid upon liquors only; and it was solemnly declared, that, at the end of the war, all excises should be abolished. But the contest continuing longer than was expected, this obnoxious mode of levying money was extended to bread, meat, salt, and many other necessary articles. The excise on bread and meat was afterwards repealed⁸⁷.

Customs.

In the time of the commonwealth, considerable additions were made to the revenue of the customs, by duties upon coals and currants. Four shillings a chaldron upon coals, levied at Newcastle, brought in about 50,000 *l.*⁸⁸ The customs and excise, notwithstanding the destruction with which civil wars are necessarily accompanied, had become so productive, that Cromwell, *anno* 1657, was offered 1,100,000 *l.* a year for a lease of both the branches.

Post office.

The establishment of a post office, upon a productive and permanent footing, was principally owing to the long parliament. By their attention, and the wisdom of their regulations, it not only yielded 10,000 *l.* *per annum*, but also saved an annual expence of 7000 *l.* which the public

⁸⁶ Stevens, p. 290.

⁸⁷ Walker's Hist. Prof. p. 8. part ii. p. 193, 247. Black. vol. i. p. 318, 319, 320.

⁸⁸ Walker's Hist. Part ii. p. 150.

was obliged to pay for the maintenance of postmasters. It is singular, that the success with which this mercantile project has been attended, should not have encouraged the public to engage in other plans of a similar nature.

When the parliament took the entire government of the country into their own hands, care was taken to sequester the revenue of the crown, and to appropriate it to their own purposes: nay, the profits of wardship, fines of alienation, and other feudal prerogatives, though supposed to be inseparably annexed to the crown, were rigorously exacted. Purveyance alone was given up, a useless privilege for a republic, and so generally obnoxious, that Charles II. was obliged to abandon it, after the restoration.

Feudal prerogatives.

In the reign of James I. a patent had been granted by the crown for the sole licensing of inns and alehouses. But in consequence of the spirited interposition of parliament, this monopoly had been annulled. It was not, however, the propriety of the tax, but the legality of the imposition, with which the Commons were dissatisfied. Accordingly, it was one of the new duties with which it resolved to impose. The tax, it was imagined, would not only prove productive in respect to income; but would also operate as a necessary regulation of the police; by preventing improper persons from keeping houses open for the reception of the public.

Wine licences.

The most popular of all the modes which parliament pursued for raising money, was that of sequestrating the income of certain lucrative offices, and applying the produce for the service of the public. It is not known what particular offices were thus appropriated; but it appears, that in the space of fifteen years, they yielded 850,000*l.*: consequently, their value must have amounted to about 56,666*l.* *per annum*.

Public offices.

The value of the royal domains, as well as of the estates of individuals, was not a little diminished, by so long and destructive a contest: and yet parliament, either driven to it by its necessities, or desirous of abolishing every vestige of monarchy, and in hopes that it would never be re-established, disposed of all the crown-lands and estates belonging to the principality of Wales, at the rate of ten years purchase. Nay, the houses, furniture, and other personal effects belonging to the king,

Crownlands.

were

were sold at very moderate prices. But the restoration of the royal family made these bargains dearer than was expected.

Church
lands.

The active part which the bishops, and the clergy in general took in support of the royal cause, naturally drew upon them the indignation of the opposite party, and rendered their property not a little insecure when the parliament became successful²⁷. But the system of diminishing the opulence of the church, was carried to much greater lengths than had ever been apprehended. Not only the lands of the bishops, and of the deans and chapters, but even the rectory and glebe lands were sold, some at ten, and others at twelve years purchase. The tythes also were sequestrated for the use of the state²⁸; and, instead of settled ministers, some wild enthusiasts proposed to have lecturers wandering about the country, in the primitive manner of the apostolic times whose salaries would prove but little burthenfome to the public exchequer.

Plunder of
the royalists.

The victorious party, as is usual in civil wars, adopted every means in their power to diminish the wealth, and to punish the supposed guilt and offences of their adversaries. The prisoners they took, if particularly obnoxious, were put to death; if otherwise, were obliged to pay heavy ransoms for obtaining their liberty. It is said, that under colour of malignancy, about one-half of the personal, as well as landed property of the kingdom was sequestrated, and either sold at low prices to the friends of those who were in power, or heavy compositions were demanded, if restored to the original proprietors²⁹. Compulsive loans were also exacted from *heart malignants*, or persons suspected of secretly favouring the royal cause. Indeed, the miserable individuals who were comprehended in that description, were compelled to furnish such sums of money, by way of loan, as were often attended with utter ruin to themselves and their families.

Extortions.

Under so military and tyrannical a government, a variety of oppressive exactions must necessarily have taken place. Among many others,

²⁷ On the 3d of April 1650, a commission was issued, to enquire upon oath, into the number and yearly value of all rectories, vicarages, &c. pursuant to an act made June 8, 1649. The originals are said to have been burned; but there is one copy in the Rolls chapel, and another at the archbishop's library at Lambeth, in eighteen thick folio volumes. Hutchins's Dorsetshire, Introd. p. 39.

²⁸ Walker's Hist. part ii. p. 198.

²⁹ Hume, vol. vii. p. 93.

that of free quarter was particularly complained of. The soldiers were billeted upon private houses; paid nothing for their maintenance; were spies upon the actions of those upon whom they were quartered; and though guilty of the most shocking abuses, their crimes were only subject to the cognizance of their own officers; no civil court, or magistrate, daring to interfere⁹⁰. But when Cromwell assumed the government of the state, a general system of oppression was for some time put in practice⁹¹. The whole kingdom was divided into twelve districts, each of which was entrusted to the care of a major general, who was empowered to levy any tax the Protector thought proper to impose. An edict was issued, commanding the exaction of the tenth penny from all the royal party; and this oppressive tax, known by the name of *decimation*⁹², Cromwell's military substitutes very rigorously enforced. The whole country was exposed to their extortions; hardly any distinction was made; nor were the firmest friends to the existing government always exempted.

The regular and permanent income of England, during the administration of Cromwell, was about 1,517,274 *l.* 17 *s.* 1 *d.* Scotland, then subject to the same government, yielded 143,652 *l.* 11 *s.* 11 *d.*; and Ireland 207,790 *l.* making, in all, the sum of 1,868,719 *l.* 9 *s.*⁹³ But if all the exactions which were extorted from the people at that time are accumulated, they amount to a sum almost incredible. It is asserted, in a treatise, printed *anno* 1647, that in four years, 17,512,400 *l.* or about 4,378,100 *l.* *per annum* were raised⁹⁴. Walker asserts, that in five years, forty millions had been collected⁹⁵; but this seems to be a considerable exaggeration⁹⁶. The following account contains as full a statement of the money levied, during this whole period, as can now be procured.

Amount of
the per-
manent in-
come.

⁹⁰ Walker's Hist. part i. p. 65, 66, 67.

⁹¹ Hume, vol. vii. p. 244.

⁹² Walker's Hist. part iv. p. 27.

⁹³ Comm. Journ. vol. vii. p. 627, &c.

⁹⁴ London's account, or a calculation of the arbitrary taxations within the lines of communication, during four years of the war, printed *anno* 1647.

⁹⁵ Hist. p. 8.

⁹⁶ It is a strong proof of Walker's exaggeration, that the author of the treatise above-mentioned (called London's Account), who makes out his calculations in the most unfavourable manner to the parliament, should state the first four years at only seventeen millions.

ABSTRACT

ABSTRACT of the Money raised in England from Nov. 3, 1640,
to Nov. 5, 1659.

| | |
|--|---------------------|
| Six subsidies, at 50,000 <i>l.</i> each | £ 300,000 |
| Poll money and assessments, to disband the Scots and English armies | 800,000 |
| Voluntary contributions for the support of the good cause against malignants | 300,000 |
| Ditto, for the relief of the Irish protestants | 180,000 |
| Land-tax, or various assessments, for the maintenance of the army | 32,172,321 |
| Excise for sixteen years, at 500,000 <i>l.</i> per annum | 8,000,000 |
| Tonnage and poundage for 19 years, at 400,000 <i>l.</i> a year | 7,600,000 |
| Duty on coals | 850,000 |
| Ditto, on currants | 51,000 |
| Postage of letters | 301,000 |
| Weekly meal for six years | 608,400 |
| Court of wards, and other feudal prerogatives | 1,400,000 |
| Wine licences | 312,200 |
| Vintners delinquency | 4,000 |
| Offices sequestered for the public service | 850,000 |
| Sequestrations of the lands of bishops, deans, and inferior clergy, for four years | 3,528,632 |
| Tenths of all the clergy, and other exactions from the church | 1,600,320 |
| Sale of church lands | 10,035,663 |
| Fee farm rents for twelve years | 2,963,176 |
| Other rents belonging to the crown, and the principality of Wales | 376,000 |
| Sale of the crown lands and principality (120,000 <i>l.</i> per annum) | 1,200,000 |
| Ditto of forest lands and houses, &c. belonging to the king | 656,000 |
| Sequestrations of the estates and compositions with private individuals in England | 4,564,986 |
| Compositions with delinquents in Ireland | 1,000,000 |
| Sale of the estates of delinquents in England | 2,245,000 |
| Ditto of Irish lands | 1,322,500 |
| Ransom of captives | 102,000 |
| New River water | 8,000 |
| | <u>£ 83,331,198</u> |

In the account which Stevens gives us of the money raised during this period, there seems to be a variety of mistakes. He states the six subsidies at 600,000*l.*, though they only produced 300,000*l.* See Walker, p. 7. Tonnage and poundage he calculates only at the rate of 300,000*l.* a year, though it often exceeded 500,000*l.*, and, at a medium, must have been 400,000*l.*; and in the whole account, there is a strange confusion between income and expences. Thus there is stated, in the account of the money raised, the charge of justice, and the sums voted to the members of the house, and given them by way of free-gift. The first voluntary contribution (omitted by Stevens) is put down only at 300,000*l.*, though probably more productive.

This

This is the best information which it is at present possible to obtain with regard to the money levied in the time of the commonwealth: from which it appears, that during the short period of nineteen years, above eighty millions must have been raised, and consequently, one year with another, about 4,385,850*l. per annum*: but a considerable part of that immense treasure was either lavished by parliament upon its own members, or was fraudulently embezzled.

By the old law of parliament, every member was entitled to receive wages, from the place he represented, to defray the charges of his journey, and the expences incurred during his residence in the capital. But the members of the long parliament, when it assumed the government of the country, instead of applying to their respective constituents, voted to each member, for his own private use, at first four pounds a week, and afterwards, it is said, distributed among themselves, out of the public treasury, about 300,000*l.* a year⁹⁷. Nay, under the pretence of rewarding the godly for their services in the good cause, unbounded largesses were bestowed. Lenthal, the speaker, received 6000*l.* at once, besides offices to the amount of 7,730*l.* a year. Bradshaw, president of the high court of justice, by whom the king was condemned, had the present of an estate worth 1000*l.* a year, and the king's house at Eltham, for the active part he took in that memorable transaction; and in free gifts to the saints, the sum of 679,800*l.* was publicly expended⁹⁸.

The parliament is also accused of suffering the most enormous frauds to be perpetrated with impunity. Instead of the public accounts being examined at the Exchequer, where peculation could with difficulty escape detection, every branch of the revenue, and every article of expence, was intrusted to committees of the house, who appropriated whatever sum they thought proper to their own private use⁹⁹. By these frauds, the parliament was disabled from paying the army regularly. Its arrears amounted to 331,000*l.*, and that mutiny, which proved the principal source of Cromwell's exaltation, was owing to the

Pensions and
gifts.

Publicfrauds.

⁹⁷ Walker's Hist. Pref. p. 3.

⁹⁸ Ibid. part ii. p. 151. 252. Part i. p. 143. 149. 166, 167, 168, 169, 170, &c. and part ii. p. 192, 206. 209. 248. Stevens, p. 294.

⁹⁹ Hume, vol. vii. p. 92.

indignation with which the troops saw the members of the house of commons rioting in wealth, procured by public plunder, whilst they, who had fought their battles, could hardly provide themselves with subsistence. They loudly complained, "that parliament bestowed upon " its own members 1000*l.* a week out of the public treasury, whilst " the foldiers wants were great, and the people in the utmost necessity¹⁰⁰."

Secret intelligence.

It is said that Cromwell expended 60,000*l.* a year in procuring intelligence; a circumstance which has been greatly celebrated, and contributed much to the character he has obtained for political ability: but it is highly probable that he spent more in procuring personal than public intelligence. Indeed, surrounded as he was with many powerful and desperate enemies, such arts were the only means by which his safety could in any degree be secured.

Debts of the republic.

It is said, that the parliament left about 500,000*l.* in the treasury, and stores to the value of 700,000*l.*, when its authority was abolished by Cromwell; and yet such was the expence of his administration, that he died indebted to the amount of 2,474,290*l.* It principally, however, consisted in arrears to the army and navy, and therefore was paid even after the restoration.

General survey.

It was proposed, during Cromwell's administration, to take a general survey of the whole kingdom, in imitation of that taken in the reign of Henry VIII. It was begun in London, and the neighbourhood, and certain committees were appointed, *to enquire upon oath, and certify the improved value of every man's estate, both real and personal*¹⁰¹. But the attempt was, after all, given up: indeed, when those who were in power exacted what money they thought proper under any pretence, however frivolous, as delinquency, malignancy, &c. it was unnecessary to be at the trouble of investigating the wealth and ability of individuals, for the sake of any regular system of taxation.

¹⁰⁰ Walker's Hist. part ii. p. 109.

¹⁰¹ Ibid. part ii. p. 185.

C H A R L E S I I.

The restoration, however passionately desired by the people, and though, on the whole, attended with considerable advantages to the public, from the re-establishment of the ancient constitution, and the destruction of anarchy and military usurpation, was nevertheless far from being accompanied with all those beneficial consequences that might naturally have been expected. The dissolute character of Charles II., the bigotry of his brother James, by whose advice public affairs were principally conducted, and the jealousy of such as were still tinged with republican principles, which led them to view every measure of the court with suspicion and disgust, rendered the greater part of his reign neither happy at home nor honourable abroad. But the conclusion of it, when he submitted to be the tool of Lewis XIV., when he determined to govern without assembling any parliament, and when it became the doctrine of the court that it was better for a king of England to be the pensioner of France than to be controlled by five hundred of his own insolent subjects, bore but little resemblance indeed, to the legal administration of the limited sovereignty of a free people.

The materials with which we are furnished by historians, and by the public records, with respect to this monarch's income and expenditure, are so numerous, that it is difficult to give a concise view of the subject.

Expences.

The expences he incurred were either permanent or incidental.

During the reign of Charles, we first perceive what may be called a peace-establishment. Ever since the restoration, it has been thought necessary to provide, even in time of peace, for the national protection and defence; and hence have arisen permanent, naval, military, and ordnance expences.

The navy, at this period, required about 300,000*l.* a year, exclusively of the sums laid out in time of war, and occasional grants from parliament. But this, though a considerable part of Charles's revenue, was

1. Permanent
expences.

The Navy.

hardly sufficient to preserve that superiority in maritime power, which Britain ought ever to maintain. The strength of Holland, at sea, was nearly equal; and that ambitious monarch Lewis XIV. exerted all the abilities of his statesmen, and all the wealth of his subjects, in attempting to raise a navy adequate to the support of his proud and lofty pretensions to the universal monarchy of Europe.

Army.

Charles was the first king of England who kept up any body of troops in time of peace. Before his reign, the sovereigns of this country, confiding in the affections and native valour of their people, maintained no standing forces, and neither had guards to attend them in their progress, nor to stand as centinels at their gates. This alteration in our domestic œconomy has often been condemned; and yet the conduct of other powers, in keeping up formidable bodies of experienced veterans, rendered it to a certain degree indispensably necessary. The annual expence of this monarch, for guards and garrisons, amounted to about 202,000*l.* and the number of his troops varied from four to eight thousand men. Even that small body excited the suspicion and jealousy of the public; and, by a vote of the house of commons, *anno* 1679, was declared contrary to law¹².

Ordnance.

The ordnance, including ordinary and extraordinary expences, amounted only to about 40,000*l.* a year: a very moderate charge, when compared to modern estimates: but it was then imagined, that fortifications were unnecessary in England; nor had the artillery become so important a branch of the military department.

Civil list.

The nature and amount of the civil list, and of the other expences of the crown, during this reign, are so clearly illustrated by the following state of its proposed expenditure for the year 1676, that any farther explanation seems to be unnecessary.

¹² Hume, vol. viii. p. 106.

Expences of the Crown for one year, as allotted by the Council,
January 26, 1675-6.

| | | | | | | |
|---|---|---|---|---|---|------------------|
| Household | — | — | — | — | — | £ 52,247 |
| Buildings and repairs | — | — | — | — | — | 10,000 |
| Privy purse | — | — | — | — | — | 36,000 |
| For the queen | — | — | — | — | — | 23,000 |
| Public intelligence | — | — | — | — | — | 5,000 |
| Treasurer of the chamber | — | — | — | — | — | 20,000 |
| Great wardrobe | — | — | — | — | — | 16,000 |
| Band of pensioners | — | — | — | — | — | 3,000 |
| Robes | — | — | — | — | — | 4,000 |
| Jewel office | — | — | — | — | — | 4,000 |
| Pensions, including the queen's mother, Duke of York, &c. | — | — | — | — | — | 87,000 |
| Ambassadors | — | — | — | — | — | 40,000 |
| Judges, masters in Chancery, &c. | — | — | — | — | — | 49,000 |
| Master of the horse | — | — | — | — | — | 10,000 |
| Casual disbursements | — | — | — | — | — | 10,000 |
| Hawks, harriers tents, tails, &c. | — | — | — | — | — | 1,500 |
| Secret service money | — | — | — | — | — | 20,000 |
| New years gifts | — | — | — | — | — | 3,600 |
| Tower expences for prisoners | — | — | — | — | — | 768 |
| Management of excise and customs | — | — | — | — | — | 63,500 |
| Angel gold for healing medals | — | — | — | — | — | 2,000 |
| Liberates out of the Exchequer | — | — | — | — | — | 1,500 |
| | | | | | | <u>£ 462,115</u> |

Peace Establishment.

| | | | | | | |
|----------|---|---|---|---|-----------|-------------------|
| Navy | — | — | — | — | £ 300,000 | } 552,000 |
| Army | — | — | — | — | 212,000 | |
| Ordnance | — | — | — | — | 40,000 | |
| | | | | | | <u>£ 1014,115</u> |

Miscellaneous Expences.

| | | | | | | |
|------------------------------|---|---|---|---|---|--------------------|
| Garrison of Tangier | — | — | — | — | — | 57,200 |
| Interest of the king's debts | — | — | — | — | — | 100,000 |
| | | | | | | <u>£ 1,171,315</u> |

It is probable, however, that the permanent expences of government were in general more considerable; for previous allotments, strict computations,

computations, and plausible estimates, can hardly ever be rigidly adhered to.

2. Incidental
expences.

The parliament, soon after the restoration, had voted the king a revenue of 1,200,000*l.* a year¹⁰³. But that sum, which would have defrayed the ordinary expences of the crown, was never fully made up: nor were its deficiencies compensated by new and additional supplies. The king, at the same time, incurred many temporary and incidental expences of so heavy a nature that he was kept in perpetual distress.

Expences on
the restora-
tion.

At the conclusion of the civil war, every vestige of royalty had been annihilated. The king's palaces and furniture had been sold; the jewels of the crown had been disposed of; and every measure had been taken, as if monarchy were never again to be the established government of England. Parliament, therefore, was obliged to grant considerable sums to defray the expences of the coronation, and to make up for those heavy losses which the crown had sustained. By two different acts, 140,000*l.* were raised and appropriated to these purposes¹⁰⁴; and afterwards, a free and voluntary present was given to his majesty, the produce of which is unknown.¹⁰⁵

Debts of the
crown.

Debts to a large amount were certainly contracted by the king, during his residence on the continent, and by his father, during the course of the civil war; both of which it was incumbent on this monarch to discharge. But, above all, Charles owed a debt of gratitude to the unhappy cavaliers who had ruined themselves by their exertions in the royal cause, which it was hardly possible, with a small revenue, fully to discharge. But he ought surely to have subjected himself to any pecuniary difficulties, rather than to have suffered so many zealous friends to continue in such distress. Parliament voted 60,000*l.* to be distributed among that unfortunate description of men¹⁰⁶; and this was the principal recompence they received for their loyalty and services. Some attention also was paid to those who had materially contributed to the king's preservation after the battle of Worcester; and Charles sometimes could not resist the accounts he received of their calamitous situation, but occasionally supplied them with what money he could possibly spare, from the rapacity of his courtiers.

¹⁰³ Comm. Journ. vol. viii. p. 150.

¹⁰⁵ 13 Car. II. c. 13.

¹⁰⁴ 12 Car. II. c. 21. 29.

¹⁰⁶ Ibid. c. 13, 14.

One of the first and most necessary steps after the restoration, was the disbanding of the republican army, which had occasioned so many revolutions, and had been so much inured to rapine and slaughter. The expence of this measure was considerable; for it was requisite to pay up their arrears, and other legal demands, previously to their dismissal. It is said that the king, when he reviewed this formidable body, before it was disbanded, could not avoid expressing his wishes to retain them in his pay; and nothing but Clarendon's weight and influence could have prevented his attempting, by some evasion or other, to have continued them in his service.

Disbanding
the army.

The fortress of Tangiers in Africa, was included in the dowry which Charles received with Catharine of Portugal: and the possession of it was supposed to be of considerable use in protecting our trade to the Mediterranean. Great sums of money, therefore, had been expended in the improvement of the harbour, and in adding to the fortifications; and the garrison maintained there cost from 50,000*l.* to 60,000*l.* *per annum*. But this expence did not continue throughout the whole of Charles's reign: for when he found that it was impossible for him to depend upon regular supplies from parliament, he ordered the town to be abandoned, the mole to be entirely destroyed, and the garrison to be brought over to England.

Tangiers.

The war which Charles entered into with the Dutch, was unjust in its commencement, and impolitic in its continuance. They were willing to have given him every satisfaction he could reasonably desire; and in consequence of the injustice of his conduct, he had not only to contend with the republic of Holland, then in the zenith of its power, but also with France and Denmark, by whom that state was at last supported: and however keenly his subjects might at first engage in so unjustifiable a quarrel, from commercial jealousy of their neighbours, yet he had every reason to expect that they would soon grow weary of furnishing him with supplies, unless encouraged by the most signal successes. Parliament voted the sum of 5,483,845*l.* for carrying on the war. But the funds appropriated to the purpose were not sufficiently productive. The war cost the Dutch forty millions of livres a year, above three millions sterling¹⁰⁷. The only advantage which England received from it was the

First Dutch
war.

¹⁰⁷ Hume, vol. vii. p. 419. Noté,

acquisition

acquisition of New York: a poor recompence for the disgrace at Chat-ham, and the blood and treasure wasted in so iniquitous a contest! *

Second
Dutch war.

Of all the combinations which modern Europe can produce for the destruction of any particular state, perhaps that between France and England, for the annihilation of the Dutch republic, is the least to be defended. Louis had some reason to be dissatisfied with Holland, for having deserted his alliance; and it might be expected that a despotic monarch, impelled by political ambition, and religious bigotry, would rejoice in an opportunity of displaying his strength, even if he did not add to his dominion; and would willingly contribute to humble the pride, and to crush the power of a protestant republic. But in Charles were united, upon this occasion, the meanest treachery, the most insatiable appetite for plunder, and a total disregard for the public interests of his own kingdoms. His people, ashamed of the attempt, and dreading the consequences of its success, refused to give him any considerable assistance; and by this negative succour to the Dutch, greatly contributed to their safety. During the war, the sum of 1,238,750*l.* was voted by parliament; but the object of it was to procure the recall of the declaration of indulgence: and it was finally granted to recompense the king for agreeing to its being annulled.

Preparations
against
France.

The only other material warlike expence, during this reign¹⁰⁹, was the making preparations for a rupture with France, to which the king was strongly urged by his parliament. Some supplies were granted for that purpose, which were faithfully applied: and it is also supposed that Charles added considerable sums out of his own personal revenue. But the king and his parliament had become so jealous of each other, that the affair ended in nothing; and in consequence of these unfortunate differences, the allies of England were left at the mercy of France, and obliged, at the congress of Nimequen, to accept of any terms that Louis thought proper to prescribe.

Profuseness.

Anno 1675.

The disgraces of this monarch's reign were greatly owing to his prodigality. In one of his speeches to parliament, he confessed that he had not been altogether so frugal as he might have been, and resolved to be for the future. With a narrow revenue, he endeavoured, during the

¹⁰⁹ Some assistance was given to Portugal; an expedition sent against Algiers; and some disturbances quelled in Virginia. But the expence could not be very great.

greater part of his reign, to support a splendid court, profuse mistresses, and rapacious favourites: but when he found that it was necessary, in consequence of disputes with his commons, to alter the former tenor of his life, he displayed a firmness and strength of mind, of which he was supposed incapable. He became as much distinguished for œconomy as he had been for profusion; and, greatly retrenching his expenditure, he was able to carry on the usual routine of government, for the space of about three years, upon his own revenue, without the assistance of any supply from parliament: and it is said that he had determined to alter the whole system of his public and private conduct, and to throw himself upon the affections of his people, when death interposed, and proved how dangerous it is to procrastinate such resolutions¹⁰⁹.

Resources.

Such were the expences which Charles incurred. His power and ability to defray these heavy charges arose from a permanent income—from parliamentary grants—and from miscellaneous resources.

When the commons took into consideration the settlement of the king's revenue, they found that his father's income had amounted to about 900,000*l.* a year; and they came to a resolution, that the permanent income of the crown should be made up 1,200,000*l.* The following are the principal branches of which it was intended to be composed.

1. Permanent income.

One of the first acts, passed after the restoration, contained a grant of the subsidy of tunnage and poundage for the king's life. This act is, by persons conversant in that branch of the revenue, commonly known by the name of *the great statute*¹¹⁰, on account of its being the foundation of our modern custom-house duties; and the rates thereby laid on are called *the old subsidy*¹¹¹, being a complete legal confirmation of all the ancient duties which had been formerly imposed. It is also remarkable from the rates varying according to different circumstances. Aliens were to pay 6*l.* *per tun* on wine imported: natives 4*l.* 10*s.* in London,

Customs.

¹⁰⁹ Hume, vol. viii. p. 209.

¹¹⁰ Forster, introd. p. 40.

¹¹¹ 12 Car. II. c. 4. Smith's Wealth of Nations, vol. ii. p. 495.

and only 3*l.* in other parts. Thus the highest duty was exacted in the capital, where the people were the most wealthy, and consequently the best able to afford it.

Feudal prerogatives.

The only stipulation that was made at this time, with the crown, in any respect beneficial to the people, was the abolition of the feudal rights, and incidents of wardship, marriage, livery, and purveyance, which, since the reign of William the Norman, had proved so grievous a load upon the inhabitants of this country. One would naturally have imagined that a scheme so generally useful could hardly have met with an opponent: yet a well-meaning and intelligent author has written a voluminous quarto, to prove the fatal consequences that would necessarily result from the alteration¹¹². Fortunately the event has fully disproved his gloomy predictions.

Origin of the hereditary excise.

Though the propriety of annihilating so obnoxious a branch of the revenue as the feudal prerogatives was pretty generally acknowledged, yet it was a matter of considerable difficulty to determine how to make up the deficiency. In strict justice, those ought to have been loaded with the payment of the commutation who were liable to the former burden; and in the reign of James, when the same plan was in agitation, it was proposed that, in exchange, an annual fee farm rent should be settled, and inseparably annexed to the crown¹¹³. But excises having been introduced by the long parliament, and paid without much opposition or complaint, instead of a land-tax, an exciseable duty of fifteen pence *per* barrel upon all beer and ale, and a proportionable sum upon other liquors sold in the kingdom, was established; which, together with the profits of wine licences, it was calculated would produce from 200,000*l.* to 300,000*l.* a year, and was considered to be an ample compensation.

Hearthmoney.

But the income which parliament had voted as necessary for the public service could not be raised without the aid of some new additional imposition; and the duty of hearthmoney was at last granted to the

¹¹² The antiquity, legality, reason, duty, and necessity, of pre-emption and purveyance for the King; by Fabian Phillips. London, printed anno 1663. 4to. in 495 pages.

¹¹³ Blackst. Comm. vol. ii. p. 77.

king and his successors¹¹⁴. This was a tax of two shillings for every hearth in all houses paying to church and poor; and notwithstanding the popular objections which have been urged against it, there is no well-founded reason to call it either burdensome or unequal, and it is still paid in Ireland without inconvenience or complaint.

The income which was in general collected from the various branches of the crown revenue, during this reign, will appear sufficiently evident from the following statement :

Account of the permanent Income of the Crown, *anno* 1663.

| | | | | | | | | | |
|--------------------------------|---|---|---|---|---|---|---|------------------|-------------|
| Customs | — | — | — | — | — | — | £ | 400,000 | 0 |
| Royal domains | — | — | — | — | — | — | | 100,000 | 0 |
| Dean Forest | — | — | — | — | — | — | | 5,000 | 0 |
| Post office | — | — | — | — | — | — | | 26,000 | 0 |
| Hereditary excise | — | — | — | — | — | — | | 274,950 | 0 |
| Hearthmoney | — | — | — | — | — | — | | 170,603 | 12 |
| First fruits and tenths | — | — | — | — | — | — | | 18,800 | 0 |
| Coinage and pre-emption of tin | — | — | — | — | — | — | | 12,000 | 0 |
| Wine licences | — | — | — | — | — | — | | 20,000 | 0 |
| Miscellaneous branches | — | — | — | — | — | — | | 54,356 | 14 |
| | | | | | | | | ¹¹⁵ £ | 1,081,710 6 |

It appears, from this statement, that the parliament did not make up the full income which it had voted. When the first fervor of the restoration was over, they probably repented of the rash vote they had hastily come to, and perceived the necessity of preserving the crown dependent upon the people. They considered that they had bestowed a sceptre upon Charles, when his situation was accounted to be the most desperate; and they thought it unnecessary to accompany so splendid a gift with advantages greatly superior to what his ancestors had enjoyed.

¹¹⁴ Hume (vol. vii. p. 377.) states, that it was only granted *during the king's life*. This, and some other trifling mistakes of that excellent historian, should be attended to in the future editions of his works. The first act by which hearthmoney was granted was 13 Car. II. c. 10.

¹¹⁵ Comm. Journ. vol. viii. p. 498.

2. Parliamentary grants.

Historians differ greatly, whether the parliaments which Charles assembled were sufficiently liberal to that monarch. Those who compare their grants with the profuseness of their successors, condemn them as too parsimonious, and attribute to that circumstance a considerable share of the disgraces of his reign. Whereas others, who compare their amount with those of preceding parliaments, accuse them of prodigality; and contend that none but a pensionary house of commons could be so lavish. The fact seems to have been, that when parliament discovered the king's tendency to profusion, and the instability of his natural character, they were afraid of trusting him with large supplies, and were determined, unless he pursued measures for the general good, totally to refuse their assistance.

The modes adopted to raise the money thus occasionally granted were by poll taxes; by an addition to the excise and customs by subsidies; by a land-tax; by a tax on personal property; and by a species of stamp duty on legal proceedings.

Poll taxes.

Three different poll taxes were granted during Charles's reign; one in particular *anno* 1660, for disbanding the army, which was intended to raise 400,000*l.* But though every person in the kingdom, above sixteen years of age, not receiving alms, was charged sixpence, and heavy rates were imposed upon men of property and rank, yet it was so negligently collected that it produced, on the 24th of November 1660, only 252,167*l.*¹¹⁶: nor does it appear that there was afterwards any addition.

Additional excise and customs.

By different acts, additional duties were laid upon the importation of wine and on the sale of excisable liquors. The first, it was supposed, would bring in 57,000*l.* a year, and was granted for the space of eight years¹¹⁷. The additional excise continued for nine years from the 24th of June 1761¹¹⁸. Its produce was supposed to be 300,000*l.* Both these grants were suffered to expire in consequence of the disputes which arose between the king and his parliament.

¹¹⁶ Comm. Journ. vol. viii. p. 196.

¹¹⁷ 20 Car. II. cap. 1.

¹¹⁸ The additional excise was first granted for six years, by 22 Car. II. cap. 5, and afterwards continued for three years, by 29 Car. II. cap. 2.

The last example of money being raised under the name of subsidy took place in this monarch's reign. Four entire subsidies were granted by the temporality, and an act was passed confirming a similar grant from the clergy¹¹⁹. It produced only 282,000*l.* It was full time to give up a system of taxation which had become so very unproductive, that the king stated in a speech to parliament, that estates from 3000*l.* to 4000*l.* a year, did not pay above 16*l.* for all the four subsidies.

Subsidies.

Anno 1673.

Various land-taxes, then known under the name of assessments, were granted by parliament. As the acts by which these taxes were imposed are not among the printed statutes, and as consulting the original record is attended with some difficulty, it is hoped that the note subjoined, containing an account of the proportions of each district will not be unacceptable¹²⁰.

Land-tax.

¹¹⁹ 15 Car. II. cap. 9. & 10.¹²⁰ ASSESSMENT of 70,000*l.* a month, as imposed anno 1660.

| | | | | | | | | |
|--------------------|---|---|---|---|---|-------|----|----|
| Bedford | — | — | — | — | £ | 933 | 6 | 8 |
| Berks | — | — | — | — | — | 1,088 | 17 | 10 |
| Bucks | — | — | — | — | — | 1,283 | 6 | 8 |
| Cambridge | — | — | — | — | — | 1,102 | 10 | 0 |
| Isle of Ely | — | — | — | — | — | 367 | 10 | 0 |
| County of Chester | — | — | — | — | — | 770 | 0 | 0 |
| City of Chester | — | — | — | — | — | 85 | 11 | 2 |
| Cornwall | — | — | — | — | — | 1,633 | 6 | 8 |
| Cumberland | — | — | — | — | — | 108 | 0 | 0 |
| Derby | — | — | — | — | — | 933 | 6 | 8 |
| Devon | — | — | — | — | — | 3,003 | 15 | 6 |
| Oxford | — | — | — | — | — | 107 | 6 | 8 |
| Dorset | — | — | — | — | — | 1,311 | 10 | 6 |
| Poole | — | — | — | — | — | 10 | 14 | 0 |
| Durham | — | — | — | — | — | 153 | 14 | 4 |
| Yorkshire and York | — | — | — | — | — | 3,043 | 8 | 10 |
| Hull | — | — | — | — | — | 67 | 13 | 0 |
| Essex | — | — | — | — | — | 3,500 | 0 | 0 |
| Gloucestershire | — | — | — | — | — | 1,626 | 6 | 8 |
| Gloucester | — | — | — | — | — | 162 | 11 | 2 |
| Hereford | — | — | — | — | — | 1,166 | 13 | 4 |
| Hertford | — | — | — | — | — | 1,400 | 0 | 0 |
| Huntingdon | — | — | — | — | — | 622 | 4 | 6 |
| Kent | — | — | — | — | — | 3,655 | 11 | 2 |
| Lancaster | — | — | — | — | — | 933 | 6 | 8 |

Carried over

£ 29,070 12 4

Taxes on
personal pro-
perty.

There was a grant in 1670, amounting to 800,000*l.*; and the duties imposed upon the public to raise that sum, were a tax of fifteen shillings on

| | Brought over | £ | 29,070 | 12 | 4 |
|---------------------------|--------------|-------|--------|----|---|
| Leicester | — | 1,088 | 17 | 8 | |
| Lincoln | — | 2,722 | 4 | 10 | |
| London | — | 4,666 | 13 | 4 | |
| Middlesex and Westminster | — | 1,788 | 17 | 10 | |
| Monmouth | — | 466 | 13 | 4 | |
| Northampton | — | 1,400 | 0 | 0 | |
| Nottinghamshire | — | 903 | 4 | 4 | |
| Nottingham | — | 30 | 2 | 4 | |
| Norfolk | — | 3,624 | 8 | 10 | |
| Norwich | — | 186 | 13 | 4 | |
| Northumberland | — | 179 | 19 | 10 | |
| Newcastle | — | 35 | 11 | 8 | |
| County of Oxon | — | 1,127 | 15 | 6 | |
| Rutland | — | 272 | 4 | 6 | |
| Salop | — | 1,322 | 4 | 4 | |
| Stafford | — | 919 | 6 | 8 | |
| Litchfield | — | 14 | 0 | 0 | |
| Somerfet | — | 2,722 | 4 | 6 | |
| Bristol | — | 171 | 2 | 2 | |
| Southampton | — | 2,022 | 4 | 4 | |
| Suffolk | — | 3,655 | 11 | 2 | |
| Surrey | — | 1,565 | 5 | 6 | |
| Southwark | — | 184 | 14 | 6 | |
| Suffex | — | 1,905 | 11 | 2 | |
| Warwick | — | 1,244 | 8 | 10 | |
| Worcestershire | — | 1,182 | 4 | 4 | |
| Worcester | — | 62 | 4 | 6 | |
| Wilts | — | 1,944 | 8 | 10 | |
| Westmoreland | — | 73 | 19 | 4 | |
| Wales | — | 3,227 | 3 | 6 | |
| Berwick | — | 5 | 16 | 8 | |
| | | £ | 69,786 | 10 | 0 |

One of the bills of assessment in the time of the Commonwealth, for the year 1656 may be seen in Scobell's Collection, p. 400. But the above state is taken from a copy of the Ordinance of the lords and commons for levying the assessment 1660, which I was so fortunate as to meet with. Davenant, vol. i. p. 32, observes, that the assessment was

on every hundred pounds belonging to bankers; the same sum on every hundred pounds lent to the king at above 6 *per cent.* interest; six shillings *per cent.* on all personal estates; two shillings in the pound on the salaries of all offices and places, to which was added a shilling in the pound on lands and mines¹²¹. This was principally aimed at personal property; and it is the only example, in the history of our finance, of a tax on bankers, and on such of the creditors of the crown as received beyond the legal interest, which at that time was 6 *per cent.*

The revenue arising from stamps was first introduced into England *Stamps.* *anno 1671.* It was imposed by a statute entitled, "An act for laying impositions on proceedings at law¹²²." The rates are various, and the particulars so very numerous, that it would be improper to enter into the detail. The duty was at first granted for nine years from the first of May 1671. It was afterwards continued for three years longer, when, in consequence of the unfortunate jealousies between the crown and parliament it was suffered to expire.

It will now be proper to give as full an account as it is possible to draw up at this time, of the money granted by parliament during Charles's reign, in addition to his permanent revenue.

was very favourable to the northern and western parts of England. He has formed a curious table of the taxes raised in England by various modes, and what proportion was assessed on each particular county; but the assessment of 1660 was omitted, which was an additional reason to insert it in this work.

¹²¹ 22 Car. II. c. 3.

¹²² Ibid. c. 9.

HISTORY OF THE PUBLIC REVENUE

Parliamentary Grants.

1. For the Debts of the Republic, and disbanding the Army.

| | | | | |
|-------|---|---|---|------------------|
| 1661. | 1. Three months assessment, at 70,000 <i>l.</i> per month | - | £ | 210,000 |
| | 2. The first poll tax | - | - | 252,167 |
| | 3. Two months assessment, at 70,000 <i>l.</i> each | - | - | 140,000 |
| | 4. Six months assessment, at 70,000 <i>l.</i> each | - | - | 420,000 |
| Total | | | | <u>1,022,167</u> |

2. Temporary Grants.

| | | | | | |
|-------|---|---|---|---|-----------|
| 1660. | 1. For a speedy supply to his majesty | - | - | £ | 70,000 |
| | 2. Ditto for the expences of the coronation | - | - | - | 70,000 |
| | 3. Forfeited estates of traitors ¹²³ | - | - | - | 75,000 |
| 1662. | 4. Grant for paying the king's debts | - | - | - | 1,260,000 |
| | 5. To be distributed among the loyal cavaliers | - | - | - | 60,000 |
| 1663. | 6. Four entire subsidies from temporality and clergy | - | - | - | 282,000 |
| 1664. | 7. First aid for the Dutch war | - | - | - | 2,477,502 |
| 1665. | 8. Second aid for ditto | - | - | - | 1,250,000 |
| 1666. | 9. Third aid for ditto | - | - | - | 1,256,345 |
| | 10. Second poll tax for ditto | - | - | - | 500,000 |
| 1668. | 11. Grant for fitting out a fleet | - | - | - | 310,000 |
| 1670. | 12. Personal tax on bankers, and for the king's debts | - | - | - | 800,000 |
| 1673. | 13. Grant during the Dutch war, voted in order to procure the repeal of the declaration of indulgence | - | - | - | 1,238,750 |
| 1677. | 14. Grant for building thirty ships of war | - | - | - | 584,978 |
| | 15. Third poll tax for preparations against France | - | - | - | 150,000 |
| | 16. Grant for disbanding the army, &c. | - | - | - | 414,000 |
| | 17. Grant for ditto | - | - | - | 206,462 |

3. Permanent Grants.

| | | | | |
|-------|---|---|---|------------|
| 1670. | 1. Additional tax on wine for eight years | - | - | 456,000 |
| | 2. Additional excise for nine years, about | - | - | 300,000 |
| | 3. Stamp duty for twelve years | - | - | 266,666 |
| | | | | <hr/> |
| | | | | 13,014,868 |
| | Arrears of excise, voluntary presents from parliament to the king, and the duke of York, and money in the hands of receivers at the restoration, supposed | - | | |
| | | | | <hr/> |
| | | | | 400,000 |
| | | | | <hr/> |
| | | | £ | 13,414,868 |

¹²³ It appears from Comm. Jour. vol. viii. p. 498. that the clear annual value of these estates amounted only to 5000 *l.* They were not probably worth more than 15 years purchase.

Besides these grants, several others, to the amount of about a million more, were lost by the disputes which so frequently arose, during this reign, between the crown and parliament ¹²⁴.

But, in addition to the king's permanent revenue, and the grants of parliament, his exchequer was enriched by other means, which it will be necessary briefly to explain.

3. Miscellaneous resources.

The dowry which the king was to have received with Catherine of Portugal, besides Tangiers in Africa, and Bombay in the East-Indies, was 500,000*l*. Such engagements, however, are not always fulfilled with honour and punctuality; and it is said, that only 250,000*l*. was actually paid ¹²⁵. The expences which he incurred in defending Portugal from the Spaniards, soon exhausted this supply.

Queen's portion.

The frugality of parliament during this reign, of which so much has been said, was perhaps in a great measure owing to the impatience with which the people paid even very moderate burdens. When an assessment for six months was granted in 1660 to raise the sum of 420,000*l*., it was thought necessary, by a clause in the act itself, to assure the public, that it was not intended to continue that mode of imposition, though it was the only productive one at the time. And the necessities of the crown, *anno* 1670, being much greater than the House was either willing, or perhaps could venture to supply, the king, with little difficulty, procured an act to dispose of the fee-farm rents, the principal part that still remained of the royal domains ¹²⁶. The produce of this sale is very uncertain; some authors calculating it at 1,800,000*l*. and

Sale of the domains.

¹²⁴ The amount of Charles II.'s revenue has been a subject of great dispute between the Whigs and Tories. It originated from a well-known Whig tract, intitled, "A Letter from a By-stander to a Member of Parliament;" in which the author dwelt much on the profusion of the Tory parliaments, which that monarch assembled. It was soon animadverted upon, in a paper printed *anno* 1742, called, "A proper Answer to the By-stander." Mr. Carte, the historian, soon afterwards entered the lists, and published a full answer to the same work, which was attacked in a Letter to the reverend Mr. Thomas Carte, by a Gentleman of Cambridge, printed *anno* 1743. This produced an elaborate performance, by Mr. Carte, intitled, "A full and clear Vindication of the full Answer to a Letter from a By-stander," which closed the controversy. But the best work upon the subject is, "The present taxes compared to the payments made to the public, within the memory of a man, in a Letter to a Member of Parliament," printed for J. Marshall, *anno* 1749.

¹²⁵ Hume, vol. vii. p. 385, note.

¹²⁶ 22 Car. II. cap. 6.

others at only 100,000*l.* The exact sum it is impossible at present to ascertain; but it probably must have amounted to 500,000*l.*

Sale of Dunkirk.

The policy of acquiring a possession on the continent like Dunkirk, has been much disputed. Many great and respectable characters have contended, that such possessions are expensive; occasion disgust and enmity, in those to whom they naturally belong; and give rise to an interference in continental concerns, with which England has no immediate relation. These objections are weighty; but their force is considerably diminished by this important advantage. The keeping up of any considerable and collected body of forces, it is well known, is thought dangerous to the liberties of the people. If it were not, therefore, by means of remote foreign garrisons, it would be difficult for this country either to attain or to preserve that full and complete experience and skill in arms, and that knowledge of discipline, and the arts of war, which every nation ought to possess; and of all the places on the Continent, Dunkirk, naturally strong, easily defended, lying between the French and Imperial territories, and consequently less obnoxious and offensive to either of those two powers, was decidedly the most eligible. It was therefore not a little unfortunate that an acquisition which might have been so serviceable to this country, should have been disposed of merely in consequence of a fatal jealousy between the crown and parliament. The latter were afraid of trusting the king with the money necessary to defray the expence of maintaining the garrison, whilst the king, on the other hand, would not agree to transfer the possession of Dunkirk to the parliament (who were willing to bear any charges it might amount to), lest they should acquire a separate dominion and independent authority²²⁷.

The famous Clarendon was the person by whom the sale was conducted on the part of England; and after much negotiation, a bargain was at last concluded for the sum of 400,000*l.* A part of the price (amounting to 1,500,000 French crowns) was sent over in specie; and when coined into English money, yielded 336,773*l.* Clarendon was afterwards impeached by the house of commons, for having advised this measure; and it was the most specious charge that could be urged against that virtuous and able minister.

²²⁷ D'Estrades, August 21, 1661.

Pension from
France.

There is no circumstance of Charles's reign so peculiarly disgraceful as his acceptance of a secret pension from the court of France. To whatever difficulties a sovereign may be reduced, it is surely beneath the royal dignity to become a voluntary dependant on another. It was particularly infamous in Charles, who had it in his power, by vigorous measures abroad, and by cultivating a good understanding with his people at home, to become the arbiter of Europe. But to pretend to be the friend of Spain, of Holland, and of Austria, when in fact he was bound, by the most solemn engagements to the court of France, to a degree of treachery much beyond the common finess and artifices of a court, or the utmost justifiable stretch of political manœuvre. It is impossible to say what money Charles actually received in consequence of this shameful connexion. It appears that he demanded 18,000,000 of livres (about 750,000*l.* sterling), for secretly favouring Lewis, at the congress of Nimeguen. Various other sums he also received at different times¹²³. The whole may be estimated at 950,000*l.*

Plunder.

The wars which this king entered into against the Dutch were principally with a view of plundering a wealthy, and, as he imagined, an almost defenceless neighbour; at least one greatly inferior, in point of strength and resources, to the dominions which he governed. But in these selfish and interested designs, he was generally disappointed. In the first Dutch war, an East Indian fleet, very richly laden, was prevented from falling into his hands by the assistance of the Danes, who protected it in the harbour of Bergen: and in the second war, another fleet, coming from the Mediterranean, valued at a million and a half, escaped, though with considerable difficulty. Charles, notwithstanding, found means to reap some pecuniary advantages from these wars. His share of prize-money, during the first war, amounted to 340,000*l.*; and, in consideration of his agreeing to conclude the second peace, he received 800,000 patacoons, about 300,000*l.* sterling.

Shutting up
the Exche-
quer.

Charles was reduced to such difficulties, *anno* 1672, that he declared, whoever discovered a mode to supply his necessities should be rewarded with the office of treasurer. Clifford, created Lord Clifford, as well as entrusted with the care of the treasury, for the expedient he sug-

¹²³ Hume, vol. viii. p. 206, note T. 207, note U.

gested, proposed to shut up the Exchequer; and instead of repaying any principal sums that had been advanced upon its security, to issue only the legal annual interest of 6 *per cent.* The nature of this infamous transaction will be more fully explained in another part of this work: at present it is only necessary to state the pecuniary profit which Charles reaped from it. Hume calculates the advantage only at 1,200,000*l.*¹²⁹; but it appears from the journals of parliament, that the interest, at 6 *per cent.*, amounted to 79,566*l.*¹³⁰; consequently the principal must have been 1,328,526*l.*

Extortions.

The principles of the English constitution, in regard to taxation, were at this time so fully understood, and the power of the crown to levy arbitrary impositions so totally abolished, that during the greater part of Charles's reign, his subjects had little reason to complain of illegal exactions. An arbitrary duty, however, was laid on coals during the war with Holland, under the pretence of providing convoys, which the parliament very properly complained of. And when the king, in consequence of the imprudence and misconduct of those who demanded the exclusion of his brother from the crown, had obtained a complete victory over that formidable party, and, indeed, had become almost fully master of the liberties of the people, he compelled the different corporations to surrender their charters into his hands, and exacted considerable sums previously to their restitution¹³¹. But this did not take place till near the conclusion of his reign.

It will now be proper to give a general view of this monarch's income and resources.

¹²⁹ Hume, vol. viii. p. 326.

¹³⁰ Comm. Journ. vol. x. p. 109.

¹³¹ Ibid. vol. viii. p. 181.

GENERAL VIEW of the Money received by Charles II. during the whole course of his reign.

1. MISCELLANEOUS RESOURCES.

| | | | | | |
|------------------------------|---|---|---|---|-------------|
| 1. Queen's portion | — | — | — | — | £ 250,000 |
| 2. Sale of the Domains | — | — | — | — | 500,000 |
| 3. Price of Dunkirk | — | — | — | — | 400,000 |
| 4. Pension from France | — | — | — | — | 950,000 |
| 5. Plunder | — | — | — | — | 640,000 |
| 6. Shutting up the Exchequer | — | — | — | — | 1,328,526 |
| 7. Extortions | — | — | — | — | 100,000 |
| | | | | | <hr/> |
| | | | | | £ 4,168,526 |

2. PARLIAMENTARY GRANTS.

| | | |
|--|---|------------|
| The various sums granted by parliament for public services | — | 13,414,868 |
|--|---|------------|

£ 17,583,394

3. The PERMANENT REVENUE.

| | | |
|--|---|------------|
| The permanent income of the crown, at the rate of 1,100,000 <i>l.</i> a year, for the space of twenty-four years | — | 26,400,000 |
|--|---|------------|

¹³² £ 43,983,394

Thus it would appear that Charles received, in all, about 43,983,394*l.* in the course of his reign, which would make above 1,800,000*l.* a year; a sum adequate to the national expences, had it been managed with frugality; at least equal to every necessary charge in times of

¹³² Authors differ much with regard to the total amount of this monarch's income. Hume, vol. viii. p. 326, calculates the ordinary revenue at about 1,200,000*l.*; the grants of parliament at 476,808*l.* a year: and to this he adds 1,200,000*l.* for shutting up the Exchequer; but he omits several of the other sources above stated. The author of a tract, printed 1749, entitled, "The present Taxes compared to the Payments made to the Public within the memory of Man," supposes the ordinary revenues, on an average, to be a million and a half yearly. Carte has drawn up an account in many respects erroneous, from which he contends, that only 32,474,265*l.* was raised upon the people of England in the twenty-four years of Charles's actual possession of the government, making only 1,353,095*l.* a year. See Full Answer, p. 161. Another author (Letter to Carte, p. 101) makes the whole sum received by this monarch 54,842,449 . or 2,300,000*l.* per annum. I have endeavoured to state a just and proper medium.

peace and tranquillity; though in time of war it might have required some addition.

Coinage. If we may judge from the state of the coinage during this monarch's reign, no considerable addition was made to the metallic wealth of the country. Only 4,177,253*l.* 12*s.* 5*d.* was coined in gold, and 3,722,180*l.* 2*s.* 8½*d.* in silver, making in all 7,899,433*l.* 15*s.* 1½*d.*

Fishing Licence. The attempt was not abandoned, during this reign, of compelling the Dutch to pay for the liberty of fishing on the British coasts. Charles demanded 10,000*l.* a year for granting them this privilege. Whatever justice there might be in the claim, the bad success of his warlike enterprises against that nation, could not furnish him with any flattering expectations of his demand being complied with.

The financial history of this period is distinguished by two important alterations; in regard to the manner of imposing taxes on the clergy, and the mode of granting public supplies.

Alteration in the mode of taxing the clergy.

Among the many valuable privileges which the church had acquired in the dark and superstitious ages of modern Europe, that of an exemption of taxes was not the least considerable. Under the pretence that their power was derived from Heaven; and that their estates were the property of the Deity, and consequently sacred and inviolable, they denied all subjection to temporal authority, and refused to contribute in common, with the public at large, to the necessities of the State. The subsidies they paid, were either in consequence of bulls from the Pope, whom they considered as their spiritual, and, indeed, real sovereign, or imposed by the authority of their own ecclesiastical superiors, to whom they professed, in a subordinate degree, canonical obedience.

Edward I. it has been already observed, was the first monarch of England who compelled the clergy to pay taxes, not only without the authority, but in avowed contradiction to a bull from Rome; and for many years after, the convocation was regularly assembled at the same time with the parliament, for the purpose of granting supplies¹³¹. This practice continued until the long parliament assumed the government of the country: their religious principles were so adverse to all distinct or

¹³¹ Gilb. Excheq. p. 48.

independent ecclesiastical authority, that no convocation was suffered to meet; and the income and possessions of the church were included in those monthly assessments or taxes on real and personal property, which were levied during the existence of the commonwealth.

After the restoration, the hierarchy and the rights of the convocation were again re-established. But the clergy were afraid that the privilege of taxing themselves would prove a burden instead of being a benefit. They remembered that during the reigns of the former monarchs of the house of Stuart, considerable grants were perpetually expected from them; and that such was the influence attending the clerical patronage of the crown, that much heavier taxes were imposed upon the property of the church, than on the estates of the laity. They were not a little anxious, therefore, to be put upon the same footing as to taxation and representation, that they were in the time of the long parliament; and accordingly it was agreed upon, that the revenues and property of the church should continue to be included in the monthly assessments which were imposed¹³⁴; and that the parochial clergy should be allowed to vote at elections, though incapable of being elected¹³⁵. These terms the parliament assented to, as they proved the means of acquiring a considerable accession to its power of taxation; and rendered the crown still more dependant upon the only body of men by whom its wants could in any degree be supplied: nay, as an additional boon, two clerical subsidies which had been granted by the convocation were remitted.

The grants of parliament were originally considered, merely as temporary aids to assist the sovereign in defraying the expences he was subject to, for the benefit of the public; and unless the commons happened to entertain at the time any particular jealousy of the crown and its ministers, the sum granted was commonly left entirely to their disposal. But after the restoration, not only more frequent grants were demanded, but, in consequence of the poverty to which the crown was reduced, parliamentary grants had become really neces-

Alteration in
the mode of
granting sup-
plies.

¹³⁴ It was finally settled, *anno* 1664, in consequence of a private agreement between Sheldon, archbishop of Canterbury, and Lord Clarendon, in conjunction with the other ministers. See Burn's *Eccles. Law*; *uses*, Convocation, and First Fruits.

¹³⁵ 13 Car. II. c. 4.

Anno 1678.

fary almost every year. It was impossible, however, for parliament, distrusting not only Charles's œconomy, but his regard for the interest of his kingdoms, to vest considerable sums of money in such unsafe and improvident hands: it was, therefore, thought requisite to specify the purposes for which each sum was voted. Thus appropriating clauses came to be introduced. At one time, the jealousy of the commons was carried to such a height, that they sent a bill to the house of lords, containing a clause by which the money thereby granted was ordered to be paid into the chamber of London. But the peers would not suffer so great a stigma on the king and his ministers to pass into a law¹³⁶. The mode of appropriation, though in the main right, was nevertheless attended with unfortunate consequences. It abated the jealousy of the commons. It was natural for them to imagine that grants, thus strictly appropriated, could not be diverted to other purposes; and they became negligent in making the most essential of all enquiries, namely, how the public money was actually expended. At one time, committees of the house of commons, and at another, commissioners have been appointed to examine into the public accounts: but the wound has never been probed to the bottom; and public profusion will never be fully checked, until not only estimates, which are too often fallacious and unintelligible, but also accounts of the manner in which the supplies granted were really spent, are regularly laid before parliament.

J A M E S II.

There was no department of government in which this rash and odious bigot did not betray the despotic and arbitrary principles on which he intended that his administration should be conducted: but they were first exhibited to their full extent in the article of his revenue. Though the greater part of his brother's income had been granted only for the life of that monarch, and consequently expired with him, yet, contrary to the opinion of his council, who advised him to suspend levying the duties until the payment was authorised by par-

¹³⁶ Hume, vol. viii. p. 85.

liament,

liament, he issued a proclamation, commanding the customs and other taxes to be paid as formerly: and, in his first speech from the throne, after declaring that he expected his revenue should be settled on the same footing with his brother's, which was no unreasonable request, he very plainly intimated, that any attempt to secure the frequent meetings of parliament, by granting moderate supplies, would be rejected. "I must plainly tell you, that such an expedient would be very improper to employ with me; and that the best way to engage me to meet you often, is always to use me well"¹⁷." Thus he gave them to understand, that he would only have recourse to them, if they complied with his demands. His speeches furnish the last example in our history of an English monarch attempting to intimidate his people by the arrogance of his language.

The only public virtues which James possessed, were frugality in his expences, and a strong desire to increase the naval strength of his kingdoms. In the latter article he displayed such zeal and judgment as reflects a considerable degree of lustre on that part of his administration. But the army was by no means neglected. Under pretence that the militia were found very unserviceable during Monmouth's rebellion, he demanded a supply from parliament to maintain those additional forces which he thought proper to levy at that time¹⁸; and he actually had in pay 30,000 regular troops in England alone, when invaded by his successor.

The only temporary grant during James's reign, which was carried into effect, was a supply of 400,000*l.* for the purpose of suppressing Monmouth's rebellion¹⁹. *Anno* 1685, 700,000 pounds were also voted; but the king, as a mark of his displeasure, and to prevent the house from interfering with his pretended prerogative, of dispensing with the tests imposed by law, for the exclusion of Catholics, from offices of trust and emolument, prorogued the parliament, before the grant passed into a law²⁰.

The propriety of granting a permanent income to the king for life, was one of the many important points which James's parliament had

¹⁷ Collection of King's Speeches, p. 177.

¹⁹ Hume, vol. viii. p. 226.

¹⁸ Hume, vol. viii. p. 180.

²⁰ Mort. vol. ii. p. 658.

HISTORY OF THE PUBLIC REVENUE

to determine soon after his accession; and such was then the great authority of the crown, that a larger revenue was given to James for his life, than any monarch of England had ever enjoyed¹⁴¹. It appears from the following account, which was laid before parliament at the revolution, that it amounted to above two millions *per annum*.

ACCOUNT of the principal Branches of the Revenue, *anno* 1688,
clear of all Deductions.

| | £. |
|---|----------------------------|
| Tonnage and poundage, including the wood, coal, and salt farm — | 600,000 |
| Excise on beer and ale — — — — — | 666,383 |
| Hearth-money — — — — — | 245,000 |
| Post office — — — — — | 65,000 |
| Wine licences — — — — — | 10,000 |
| New impositions on wine and vinegar — — — — — | 172,901 |
| Duties on tobacco and sugar — — — — — | 148,861 |
| Duty on French linen, brandy, silk, &c. — — — — — | 93,710 |
| | <hr/> |
| | ¹⁴² £ 2,001,855 |
| | <hr/> |

This account does not include some of the smaller articles of revenue.

Coinage. During this monarch's reign, which lasted only four years, there was coined, in gold, the sum of 2,113,638*l.* 18*s.* 8½*d.*, and, in silver, 518,316*l.* 9*s.* 5¼*d.*; making, in all, 2,631,955*l.* 8*s.* 1¾*d.*

Reflexion. It is the peculiar happiness of the people of England that every attempt to diminish their rights, or to encroach upon their liberties, has

¹⁴¹ See the arguments on both sides, stated by Hume with his usual ability, vol. viii. p. 221. 222. 223. 224. Here we must take leave of this excellent historian, from whom much advantage has been derived in the course of this investigation. Indeed, it is impossible to give a just display of any branch of the history of England, without making a considerable use of his remarks. His work, however, is far from being equal. The first part and the conclusion of his history, is not excelled by any composition either modern or ancient: but the middle, which he first published, being composed with less experience in writing, is not only more prolix, but also seems to have been drawn up rather as a defence of the unfortunate race of Stuart, than as a candid and impartial history.

¹⁴² Comm. Journ. vol. x. p. 37.

been attended with consequences diametrically opposite to those which were designed at the time; and that every king who has governed ill, has given the public some compensation for the offences or errors he committed, by proving the source of beneficial laws, and of additional checks upon tyranny and oppression. The crimes and misgovernment of John gave rise to *Magna Charta*, and all the important privileges which that charter tended to confirm. The extortions which that able and high-spirited prince, Edward I. was led into, in consequence of the expensive foreign wars in which he was engaged, occasioned the famous statute, *De Tallagio non concedendo*; the passing of which is unquestionably one of the most important events in the history of this country. And the exactions attempted to be enforced by the first princes of the house of Stuart, joined to James's obstinacy, bigotry, and infatuation, were productive of a revolution equally favourable to our civil and religious liberties, and of the establishment of a form of government "the most perfect in theory, and the happiest in practice, that has ever existed among mankind:" a constitution which, it is proper to observe, was not the offspring of haste, or projected by one man; but was gradually formed in the course of a long and important struggle, which lasted from the death of Elizabeth, to the accession of William III., and employed the powers of as able men as ever existed in any country whatsoever. It was from the collision of such abilities alone that so valuable and well constructed a fabric could have been erected; and its blemishes (for, like all other works of human invention, it is, in some respects, defective) we trust will be removed, without pulling the edifice to pieces, without injuring its beauty, or impairing its vigour and its strength.

These were the most important financial transactions which took place under the government of the house of Stuart, during whose administration many new branches of revenue were introduced, such as excises, stamps, the post office, monthly assessments, &c.; and many old resources were either abandoned, as unproductive, or abolished, on account of their oppression. Hence subsidies were given up, and the whole fabric of feudal exaction, of wardship, marriage, &c., together with benevolences, free gifts, and compulsive loans, were for ever annihilated.

Conclusion.

But

But the period is particularly remarkable for enabling us to form some kind of judgment of the full extent of that heavy burden which the funding system introduced into this kingdom.

The revenue of England, at the accession of the house of Stuart, *anno* 1602, was 500,000*l.* a year. Eighty-six years afterwards, when James II. was expelled, it was raised to about two millions: the annual increment consequently was near 17,441*l.* At the same rate of increase, the revenue, *anno* 1774, eighty-six years after the revolution, should only have been 3,500,000*l.*; and ten years afterwards, *anno* 1784, ought not to have exceeded 3,674,418*l.*, or, perhaps, with the addition of Scotland, rather more than four millions a year. If the present income of the State, therefore, is about fourteen millions, ten millions of that sum may be attributed to the funding system; and would not have existed, if the extraordinary expences of the public had been defrayed by money exacted at the time, without leaving any burden upon posterity. Indeed, four millions would be amply sufficient, at this time, to defray the charges of the civil list, and of our peace establishment, if the load of taxes imposed to provide for the interest of our public debts, did not raise the price of every commodity to such a height, as to render money much less efficient than it would otherwise be.

But, on the whole, though our circumstances might have been better, let us not too hastily either envy the situation, or inveigh against the conduct of our predecessors. Lightly as we may imagine they were burdened, yet they complained as loudly as we do, of the intolerable weight of taxes, and of the distress and poverty which they occasioned: and though, instead of adding to their own burdens, they thought themselves justifiable in bequeathing to their posterity a considerable part of that grievous load of public debt, under the pressure of which we now stagger, let it also be remembered, that they delivered into our hands a well cultivated island; dependencies of great value and importance; an extensive commerce; flourishing manufactures; a superior system of agriculture; a high character for ability and valour; and, joined to all these advantages, a system of government, unequalled in the annals of mankind for the blessings which it affords.

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P A R T II.

[A]



P A R T II.

C H A P. I.

Of the various Modes of providing for the extraordinary Expences of a Nation.

TH E charges incurred by a nation in times of peace, seldom exceed its ordinary income, or what it may be made to produce. It requires no great revenue, to maintain the magistrates entrusted with the general government of the country; to support such as are employed in expounding the laws, and in distributing justice; and to defray the expences of such public works as are essentially necessary for the benefit of the community. Indeed, if nations were always at peace, supplying a revenue for public purposes, could never prove burdensome to society.

But the necessity there is, from the turbulent disposition of the human species, and the ambition of those individuals, who govern the affairs of States, to be perpetually providing for the expences of war, is uniformly attended with the heaviest charges. Maxims of frugality, however proper and desirable at other times, are found incompatible with a state of hostility. When the fate of a nation is at stake, or even when any of its important interests are endangered, exertions must be made, without regarding the expences they may occasion. The troops and armaments of the foe must be opposed, whatever cost such opposition may require; and every citizen must sacrifice a part of his
[A 2] fortune,

fortune, either to increase the property and maintain the interests of the community to which he belongs, or to preserve the wealth, which it has already acquired from the plunder of its enemies.

It is evident therefore, that a material difference necessarily exists between the revenue sufficient for times of peace, and the resources which are requisite to defray the various heavy charges which a war must occasion.

The ingenuity of mankind, particularly in modern times, has been much engaged in attempts to discover, what is the best mode of providing for these extraordinary expences; and four systems have been suggested for that purpose. It has been proposed, 1. To accumulate a treasure in time of peace, adequate to the exigencies of war.—2. To levy the necessary supplies within the year, by means of extraordinary additional taxes.—3. To exact compulsive loans from the wealthiest individuals of the community.—4. To borrow money from such as are willing to advance it, upon the security of the public faith.

Each of these modes it is proposed briefly to examine.

I. Accumulating a Treasure.

At the commencement of political societies, a considerable share of the territory they possess, is uniformly dedicated to national purposes. In the infancy of States, however, there is neither inclination nor opportunity to be prodigal; and consequently, when there happens to be any surplus, after defraying the necessary expences, it is in general accumulated into a public treasure, and reserved for any unforeseen emergency. In ancient times, the practice was very prevalent; and, in England, the monarchs who lived after the conquest, were provided with such treasures, owing as much to their inability to expend their revenue, as to any parsimonious disposition, or any forecast for the future.

Sometimes, however, the system of accumulation has arisen from real foresight; and among the various acts for which the political wisdom of the Romans has been celebrated, some authors have included their levying a tax for the express purpose of preparing a fund for public emergencies. The commonwealth, we are told, had hardly been established by the expulsion of Tarquin, before they began to collect

collect the *Aurum Vicefimarium*, or impost of the twentieth penny, upon the sale of slaves; the amount of which was deposited in the temple of Saturn, there to be kept sacred for the most pressing exigencies of the State¹. It continued accumulating for many years, and remained untouched as long as the free government of Rome existed, excepting during the second Punic war, when it was thought excusable, after Hannibal had ravished Italy for ten years, to take four thousand pounds weight of gold out of this treasure, to assist in defraying the various enormous expences to which the commonwealth was then subject.

But this mode of employing the surplus revenue of the public, is attended with one material disadvantage. If the precious metals at all contribute to the happiness of political society (which cannot be doubted, at least by those who consider with how much greater facility commerce is carried on in consequence of so useful a medium), every plan that tends to diminish their abundance, must be prejudicial. A system of that nature may be less hurtful, before industry and commerce flourish; and at such a period may perhaps be necessary, from the difficulty with which any considerable sum of money is collected in critical emergencies. But, in general, it would be better to employ the surplus of the national revenue in works of public advantage, or even in the construction of useless pyramids, as was done by the sovereigns of Egypt, than in accumulating a hoard to lie dormant, without interest and without circulation.

A well-known and eminent author has notwithstanding vehemently contended for continuing the practice of the ancients; and in particular grounds himself upon this idea, "That the opening of such a treasure necessarily produces an uncommon affluence of gold and silver, serves "as a temporary encouragement to industry, and atones, in some degree, "for the inevitable calamities of war²." Unfortunately for this author's hypothesis, the same circumstance, namely the abundance of gold and silver, which alleviates the calamities of war, augments also the blessings of peace; and those blessings are necessarily diminished where treasures are accumulated: indeed, a public hoard can hardly be collected, without reducing a nation, in point of commerce and circulation, to much the

¹ See a beautiful poetical description of this treasure, Lucan's *Pharsalia*, l. iii. v. 155.

² Hume's *Essays*, vol. i. p. 365

same situation in times of tranquillity, as in the midst of war. Besides, it is proper to remark, that the Romans always endeavoured, in the first place, to procure money by loans, and never applied to their treasure, but when their credit was exhausted.

There are other unfurmountable objections to the amassing of public treasures; such as, the dangers with which they are accompanied; of usurpation in monarchical governments; of despotism in free states; and, under every form of government, of being improvidently expended. It appears from the History of England, that the usurpations of the three monarchs who reigned after William the Norman, were greatly owing to their having secured the treasures of their predecessors. We learn also from the History of the Roman Commonwealth, that if no public treasure had existed at the time, Cæsar could hardly have succeeded in his daring attempt upon the liberties of his country: and it is well known, that the immense treasure which the republic of Athens had been accumulating for the space of fifty years, and which at last amounted to above ten thousand talents, was dissipated in rash and imprudent enterprises, to the ruin of the State³. Indeed, if nations are tempted, when their credit is high and flourishing, to engage in destructive plans of hostility and conquest, how much more may not this be apprehended, if a treasure is already amassed, which may easily be applied to gratify the ambition of an impetuous and inconsiderate monarch, or to carry into effect the political projects of an artful demagogue?

II. Raising the Supplies within the Year.

When a nation finds, that its expences exceed its revenue, and that either no treasure has been accumulated, or that it is inadequate to the charges which are likely to be incurred, it naturally endeavours to raise extraordinary supplies, by additions to its ordinary income. It was upon this principle, that aids were originally granted by Parliament to the Kings of England: nay, at the Revolution it was imagined, that a general excise, in addition to the usual revenue, would have furnished money sufficient to defray the expences of the war⁴. Various circum-

³ Hume's Essays, vol. i. p. 335.

⁴ Davenant's Works, vol. i. p. 18.

stances, however, unfortunately contributed to render such a plan at that time impracticable. The instant of a revolution is an improper period for increasing, in any great degree, the burdens of a nation. Many would have rejoiced at such an opportunity of spreading disaffection to the new government. Taxes were at that time peculiarly unpopular in England; insomuch, that it was thought necessary, in order to ingratiate the new sovereign with his people, to diminish instead of increasing the revenue, and to repeal the productive duty of hearth-money, by one of the first acts to which William III. gave the royal assent after his accession.

The mode of raising the extraordinary expences of the nation, by supplies within the year, has often been recommended by different authors since the Revolution.

Sir Matthew Decker, in his famous plan for levying the whole revenue by a single duty upon houses, which he published *anno* 1744, expressly mentions the possibility of raising the current services within the year; "a thing (he observes) greatly desirable by every body, and "the want of which has been the cause of our present national debt'."

Poſtlethwayt (a laborious and intelligent writer), in a work published *anno* 1757⁶, endeavours to convince his countrymen, both of the necessity and the practicability of that measure. But his idea was to raise only three millions *per annum* additional, and the war had become so enormously expensive (requiring more than double that sum), that it was evident, it could not prove, on so narrow a scale, of any material benefit, and no one ventured to state the possibility of its being farther extended⁷.

An able and public spirited senator, however, recently recommended the same plan to the public attention⁸. He supposes, that the whole property of the nation amounts to *one thousand millions* in real value, a duty of one and a half per cent. therefore on every man's capital, paid by instal-

⁵ Serious Considerations on the several high Duties which the Nation labours under, p. 20.

⁶ Great Britain's true System, particularly, Let. ii. and xiii.

⁷ Poſtlethwayt himself, in his dictionary, voce *FUND*, *in fine*, acknowledges, that when he recommended raising the supplies within the year, he never imagined that they would have risen to so high a pitch.

⁸ Considerations on the present State of Public Affairs, by William Pulteney, Esq; 3d edit. p. 31. *anno* 1779.

ments, would raise, in the course of two years, fifteen millions; and he calculated, might, without much œconomy, support a vigorous war for that space of time. The same ideas were also enforced by the ingenious Mr. Arthur Young; but he contends, that the additional taxes should be levied, not upon capital, but upon income. The permanent income of the nation, he imagines to be one hundred millions *per annum*, which could easily bear a permanent burden of thirteen millions, and would yield besides, without much oppression, a temporary aid of eight millions more⁹.

The advantages that would have resulted from this mode of raising the supplies, are displayed by the authors above-mentioned in the most flattering colours. Land, it was said, instead of selling from 20 to 25 years purchase, would soon reach from 27 to 32. The three per cents would rise from 60 to 88; and obtaining money upon mortgage, would no longer be attended with difficulty. The alarming prophecies concerning a national bankruptcy, would vanish; and more would be done towards procuring an advantageous peace, than could be effected by many victories. Nay, the Chancellor of the Exchequer (Frederick, Lord North) in the opening of the budget 24th February 1779, declared in parliament, "That such a plan, he conceived, would not be difficult, if there was a full confidence in government. Great sacrifices, it was true, must be made, and many gratifications given up; but if the measure should become necessary, that consideration ought, and he believed would give way. The honour, the glory, nay the very existence of the country, might require it¹⁰."

To carry such a plan into effect, two things are requisite; first, power and resources in a State; secondly, inclination in the Public at large.

The ability of a nation to make a great addition to its revenue, amidst all the horrors and calamities of war, more particularly in modern times, when hostilities are prolonged to such a length, and are carried on in so extensive a manner, is at best problematical. The Dutch, whose example is commonly adduced upon this occasion, were contending for their own liberties at their own doors. Whereas, when Bri-

⁹ Polit. Arithmet. Part II. By Arthur Young, Esq; p. 44. 37.

¹⁰ Debates of the House of Commons, published by Almon, vol. xii. p. 8.

tain engages in a war, it must employ fleets and armies to protect remote possessions almost in every quarter of the globe. Though sufficient property therefore actually existed in the country, yet still the difficulty of collecting it from the distant provinces of the kingdom, so as to answer the critical moments of an extensive war, must be very great.

Besides, in a country like England, the wealth of which depends so much upon the security and prosperity of its commerce, such a plan would be attended with peculiar difficulties. The following is Mr. Young's calculation of the annual income of the nation :

| | | | | | | |
|---|---|---|---|---|---|----------------|
| Income from Land | - | - | - | - | - | £. 63,000,000 |
| ——— from Manufactures | . | - | - | - | - | 20,000,000 |
| ——— from Commerce, and the profits of our Co- | | | | | | 17,000,000 |
| lonial Possessions | - | - | - | - | } | |
| | | | | | | £. 100,000,000 |

Thus it is supposed, that thirty-seven millions of the national income arises from property, liable, in time of war, to great hazard, and much diminution in point of value, and consequently unable to bear any heavy additional burden.

Or, if instead of income, the capital of a country, according to Mr. Pulteney's idea, is to be taxed ; without dwelling upon this objection, that people may have great property, without having much money at command, it will be easy to perceive the difficulty of collecting the tax, and the great uncertainty of its produce, when it is considered, that the supposed capital of *one thousand millions*, comprehends the value of the land ; the value of houses ; the value of stock of all kinds ; of materials for manufacture ; shipping ; cash ; money in the funds due to natives ; and, in short, every thing that can be denominated wealth or property¹¹.

But in nations where the ability exists, the inclination is often wanting. The respectable author above-mentioned very justly remarks, " That it is in a free country only that mankind feel themselves so concerned with public prosperity, as willingly to sacrifice, in support of " it, a part of their fortune, in great emergencies¹²." But free States are in general so divided into parties, that hardly any administration

¹¹ Considerations, &c. by William Pulteney, Esq; p. 28.

¹² Ditto, p. 32.

can expect the universal, or even the general confidence of the people. In luxurious and commercial ages also, which are the best calculated in point of ability for executing such a plan, individuals are so selfish and interested, and so fond of pleasure, and the frivolous joys of dissipation, that zeal and public spirit are rare, and few would curtail themselves even in the most insignificant gratifications, for the purpose of contributing, to equip an armament, for the defence of Madras, or the protection of Jamaica. Nay, it is questionable, whether war at their own doors would raise them from their silken lethargy.

The plan of raising its supplies within the year, however, is a circumstance which every nation ought to have in view, as it may possibly prove absolutely necessary for its preservation and existence; and perhaps it might be rendered less oppressive, and more practicable, if, instead of specie, a part of the new additional supplies were exacted in kind; and if the furnishing of a certain number of recruits; the providing of a certain number of seamen, or a certain quantity of naval stores, &c. &c. were considered as a sufficient equivalent for the new taxes, at a certain reasonable conversion. For there may be property in a country amply sufficient to carry such a plan into effect, and yet, where money is demanded, it may be rendered impracticable, from the want of a sufficient quantity of circulating specie. Such a plan might perhaps be attempted, if the real strength and resources of the kingdom were fully known; and if it were ascertained, what each district could afford for the public service, on any important emergency, not only in money, but in other articles useful to the State.

III. Compulsive Loans.

Voltaire has described in his usual sprightly manner, the loans which were extorted from their subjects, by the ancient Kings of England. "Those who lent their money (he says) generally lost it, and those who "did not lend, were sent to jail". And it is evident, from what has been said in the preceding part of this work, that such loans were highly oppressive upon the subject, without being of much advantage to the crown. Indeed, so little were they entitled to the name of loan,

¹³ General History, vol. iii. part vi. c. 3.

that

that no interest was allowed for the money, nor was there any certainty of its being repaid.

The practice, however, of compelling wealthy individuals to contribute to the relief of the crown, may be traced to a very ancient period of our history¹⁴. Foreign merchants, who, in the words of the record, "had rights and privileges conferred upon them, by the grace "and sufferance of the King, *reportant grand lucre*," were made subject to this exaction, during the disgraceful and necessitous reign of Henry III.¹⁵ The practice was afterwards extended to the natives of the kingdom; but it was accounted so peculiarly obnoxious, that, among the articles for which Richard II. was deposed, his having borrowed (or rather extorted, under the pretence of borrowing) great sums of money, which were never repaid, is particularly insisted upon¹⁶.

In the reign of Henry VIII. Acts of Parliament were passed, discharging all his debts founded on loans, whether voluntary or compulsive; and the credit of the crown of England, in consequence of these harsh and rigorous measures, continued at the lowest ebb, until it was revived by the prudent measures taken by Elizabeth, and the punctuality which she maintained. In general, she found little difficulty in borrowing money, without being obliged to have recourse to compulsion. But she was sometimes reduced to the necessity of imitating, in this respect, the example of her predecessors; and occasionally issued letters under the privy seal, demanding the loan of a specific sum of money, from the wealthiest of her subjects. This (according to an old writer) was, "an enforced piece of state, to lay the burthen on "that horse that was best able to bear it at the dead lift, when neither "her receipts could yield her relief at the pinch, nor the urgency of "her affairs endure the delays of a parliamentary assistance".

By the famous petition of right, compulsive loans were totally abolished: but it is a curious subject of political speculation, whether such a plan might not be improved, so as to answer many beneficial

¹⁴ Stevens (Pref. p. 15.) states, upon the authority of a manuscript in the Cottonian library, that compulsive loans began in the reign of Henry II.

¹⁵ Cotton's Post. Work, p. 177. Noy's Rights of the Crown, p. 45. who says it was Henry V.

¹⁶ Rot. Parl. vol. iii. p. 419.

¹⁷ Naunton's Fragmenta Regalia, p. 12.

public purposes; and whether such a system ought not to be kept in view, if another war should unfortunately soon break out. If every wealthy person in the kingdom were obliged, when called upon by the legislature, to furnish a certain sum of money, at a reasonable interest, upon the faith and security of Parliament, loans would be raised upon moderate terms, and probably without much murmur or oppression. By such means, the enormous profits, which are exacted by usurious money-lenders, who combine together, and take every unfair advantage of the public necessities, would be prevented; nor would the nation, to gratify their rapacity, be loaded with burdens almost unsupportable.

IV. Voluntary Loans.

But of all the modes of providing money for defraying the extraordinary expences of a nation, that of borrowing from such as are willing to lend their property upon the public security, is undoubtedly the most efficacious; and it may not be improper, briefly to state the progress of the system.

1. On valuable Pledges.

The most ancient, and indeed the most natural mode of borrowing any considerable sum of money, is that of giving to the lender, in pledge, some article, the value of which is well known, or can easily be ascertained. It was a long time before other modes of security were invented, or usually practised. Nay, after bonds and written obligations had become more frequent, recourse was occasionally had to pledges; and many of the Kings of England were reduced to the necessity of pawning their jewels, crown, and other valuable effects, in critical emergencies.

2. On Personal Security.

John, King of France, we are told, nobly declared, that if good faith were banished out of the rest of the world, yet that it ought still to be found in the breasts of princes; and such in general is the confidence placed in the Royal Diadem, that there are few monarchs who are not able to raise some money upon their personal obligations. But the amount of such sums is seldom very considerable. Indeed, the additional security of the City of London, and sometimes of the principal Ministers of State, was required, before some of the Sovereigns of England could in this manner obtain the money which their necessities demanded.

In almost every country, the laws have fruitlessly endeavoured to prevent the dissipation of the Royal Domains; and in England, it was held impious to alienate them. Nay, as an additional check, every King was entitled to resume his own grants, or those of his predecessors. Mortgaging the Domains, however, is in general permitted, as a less pernicious measure, though often attended with more ruinous consequences. For, after any individual has been long in possession of lands as a mortgagee, the specific nature of his right is forgotten; and he is not a little apt to consider himself, and to be considered by others, as the real proprietor.

3. By mortgaging the Public Domains.

The mode, by which a nation first raises a considerable sum of money, is generally by mortgaging some particular tax or branch of its revenue, and anticipating its produce. This is a very ancient practice in England. It may be traced, it is supposed, as far back as the reign of Edward I.; and it is certain, that in the year 1444, Cardinal Beaufort gave a sum of money in loan to Henry VI. upon the security of the Customs of London and Southampton¹⁸. Various other instances of such anticipations will occur in a subsequent chapter.

4. By mortgaging Taxes.

When any branch of the revenue is mortgaged, it may either continue under the management of public officers, as is the case in England, or it may be entrusted to the care of the creditor, as is the practice in France. The first is best adapted to a free; the second, to a despotic government: but, under every government, it has been originally found necessary to farm the revenues, either to the creditors of the public, or to those who make it their profession. For, such is the ingenuity of mankind, and such their inclination to elude taxes, that they would never become productive, if interested persons were not employed to discover the means of counteracting the evasion of them; and the public may afterwards, through the medium of its own officers, reap the benefit of such discoveries.

Another mode of borrowing money, is, by granting annuities for a certain fixed space of time, at the end of which they are totally to cease. The experience of England tends to demonstrate, that this is not an advantageous mode of procuring money: at least the demand

5. By temporary Annuities.

¹⁸ Noy's Rights of the Crown, p. 41.

of the creditor is proportionably higher for short, or even long annuities, than when a perpetual annuity is granted; and a nation which adopts the funding system, ought to consider itself as a great and permanent corporation, and ought to adopt that plan, which, in the course of many centuries, is the most likely to be of advantage to the community, without regarding immediate profit, or temporary conveniences.

6- By Annuities on Lives.

Annuities for lives is another mode that has been frequently practised, and by some is accounted the most advantageous. But it is hardly possible for a nation, when it is in distress, by any means to make a profitable bargain with a money-lender, particularly on the principle of granting temporary annuities. Thus, when annuities for lives are granted, the creditor takes care to pitch upon the persons who are the most likely to live long, and who consequently will prove, for the longest period, a burden upon the State. Nor have all the flattering hopes which Tontines hold forth to the avarice of mankind, been able to procure money by life annuities, on advantageous terms to the public.

7. By Contingent Annuities.

When a State is in great necessity, it is easily induced to listen to the proposals of any body of men, who offer to supply it with a considerable sum, in consideration of being invested with certain peculiar privileges, whilst the money they advance remains unpaid. It was thus that the Bank of England, the East-India Company, and other great Corporations arose in this country. The grants of such privileges may sometimes prove useful to the public, as well as profitable to those who engage in them. The two Companies above alluded to are unquestionably of that description. But the limits of that mode of borrowing money with advantage, are certainly confined; for monopolies, or peculiar privileges, cannot be carried to a great height, without injuring the commerce, and lessening the industry of a country, and consequently diminishing the national capital, or fund of wealth.

8. By Perpetual Annuities.

The last mode of borrowing money for national purposes, and the climax of financial invention, is, when a nation grants certain annuities to its creditors, *for ever*, subject to redemption at a certain price. This is a modern invention, of which the ancients seem to have had no conception. It is, in fact, selling, for ever, a branch of the public re-

venue. It will appear in the farther progress of this Work, that by the ingenuity of the public creditors, this mode of raising money has been rendered much more prejudicial, than otherwise it would be, from the practice of adding what may be called artificial, to the real capital. By this artful manœuvre, the nation cannot redeem such perpetual burdens, without paying sums considerably greater than it ever received.

Such are the various modes of providing for the extraordinary ex-
pences of a nation ; to which might be added, exchequer bills and debentures of every kind, the sale of offices, as those of judicature in France, and the alienation of the public domains so universally practised. On the whole, it is easy to perceive, that every plan of raising extraordinary supplies, is attended with considerable difficulties. Perhaps, in different periods of society, different plans ought to be adopted. At first, wars are carried on in a desultory manner, and on a narrow scale ; and a wise statesman will then endeavour to procure within the year, as great an addition to the ordinary income of the public, as the nation can be prevailed upon to pay. But in times like these, when hostilities are extended over every quarter of the globe ; and when, from ten to fifteen millions of additional income are required, for military and naval operations, raising the supplies within the year, is a measure, which, however desirable, can hardly be put in practice.

With regard to the best mode of borrowing money, for the public service, it is proposed, to investigate that important question, in the following Chapter.

C H A P. II.

Of Public Debts in general.

THE most singular and important political feature of the present Era, is undoubtedly the heavy load of public debts, with which almost every nation in Europe is encumbered. It is therefore very natural to enquire, with some degree of anxiety, into the circumstances that gave birth to their existence ; and into the advantages and disadvantages they have produced : a subject on which many authors have written with great ability, but which still remains open to more ample discussion, and liable to much uncertainty and dispute.

I. Causes of the Public Debts of Modern Europe.

It has already been remarked, that the ancient mode of providing for the expences of war, was that of collecting treasures in time of peace ; and many have accounted such a measure highly politic. During tranquil periods, it is said, that money is less necessary for individuals, as well as for the public ; and if it were not thus locked up for national purposes, it would probably be wasted in purchasing luxurious superfluities from other countries. When treasures thus collected, are issued, they revive circulation ; and amidst all the calamities of war, give new vigour to a state ; and as the public is thereby enabled to give ready money for provisions, and other necessary articles, it can always procure them upon easy and moderate terms. But modern nations, it is said, having no treasures collected, find themselves reduced, at the very commencement of a war, to the necessity of borrowing. The money they raise, when expended in distant operations, instead of being thrown into circulation, is actually taken out of it ; and at the same instant, that twelve millions are procured by the minister, the manufacturer, and the husbandman, are involved in the greatest misery and distress.

Such reasoning is plausible, and it is certain, that if considerable treasures were collected, they would, in a great measure, prevent the necessity of contracting debts, unless on very important emergencies.

It

It appears, however, from the preceding Chapter, that public hoards are necessarily productive of so many political evils, as greatly to outweigh any advantage that could possibly be derived from them.

But the heavy burdens with which the existing powers of Europe are encumbered, are owing, not only to the want of public treasures, but also to the different manner of conducting hostilities in ancient and modern times.

Formerly, one or other of the parties at war, boldly entered into the territories of his opponent; and marching directly to the capital, or to any spot where the enemy had assembled, the fate of a wealthy kingdom, or powerful republic, was often decided by a single engagement. But in modern times, the whole fury of the war is spent in besieging towns on the frontier, or in doubtful naval operations, or in the attack and defence of some remote colony, or distant appendage; the consequence of which is, that the war is protracted to a great length, and becomes progressively more expensive. Thus neither of the parties are able to procure any great superiority, or decided advantage; and hostilities are carried on, until the resources of one, or both of them, are exhausted; and it is found impossible to raise money, either by augmenting the ordinary revenue, or by borrowing on the public faith.

In ancient times, wars were not only shorter in their duration, but means were also taken, and principles were adopted, which rendered great pecuniary supplies less necessary than at present. Formerly, the whole was a scene of plunder and devastation. The persons and the property of the enemy were at the entire disposal of the conqueror; and the general estimated the profits of the campaign, not only by the quantity of money, and other personal effects he had seized; but also by the number of his prisoners, who were sold for slaves, and were accounted a very valuable commodity. The greater part of the plunder taken in the campaign, was accounted for to the public; and many a Roman general, after defraying the charges of the war from the booty he had acquired, was also able to make considerable additions to the public treasury, amidst the triumphal shouts of his countrymen.

The arms now made use of, are also much more expensive than those of antiquity. The shield, the spear, the lance, the javelin, and the

[C]

bow

bow and arrow of the ancients, cannot be compared, in regard to price, with the modern musquet; particularly when the re-iterated expence of powder and ball is taken into consideration. And as to military engines, there can be no comparifon in point of coft, between a modern train of artillery, and a fet of battering-rams and catapultæ.

But the principal fource of national expences in thefe times, when compared to thofe of antiquity, arifes from naval charges. It is at fea, where all the modern nations have wafted their ftrength. It is on that element that thofe debts have in a great meafure been contracted, under the preffure of which they now groan. Had the rage of equipping numerous fleets, and building fhips of great magnitude and dimenfions, never exifted, hardly any ftate in Europe would have been at this time in debt. To that fatal ambition their prefent diftrefsed and mortgaged fituation, ought chiefly to be attributed¹.

The nature of thefe national incumbrances, and the effects refulting from them, have given rife to political controverfies of the greateft public importance. By fome, the practice of borrowing money, to defray the extraordinary expences of a State, is extolled to the fkies, as equally neceffary and ufeful; whilft others confider it as big with every fatal and deftructive confequence. It is propofed to give a general view, of the various arguments which have been made ufe of, on both fides of the queftion.

II. Advantages of the Funding System.

Montefquieu, after ftating fome of the inconveniencies of public debts, fays, “ I know of no advantages².” Such incumbrances, and the credit on which they are founded, are not perhaps fo beneficial, as fome authors have endeavoured to reprefent them; but this excellent Writer feems to have formed, on this occafion, by far too hasty a conclufion.

¹ It will appear in the farther progreffs of this Work, how confiderable a fhare of the revenue of England, has been expended on its navy.

² L'Efprit des Loix, l. xxii. c. 17.

1. Advan-
tages in time
of war.

It is hardly possible for any person who attentively considers the subject, to deny the beneficial consequences resulting from public credit, in the prosecution of a just and necessary war. The celebrated Bishop of Cloyne well observes, that credit is the principal advantage which England has over France, and indeed over all the other States of Europe; that it is a mine of gold to this country; and that any measures taken to lessen it, ought to be dreaded³. In fact, the great success which has uniformly attended the arms of Great Britain, when its affairs have been wisely and prudently conducted, has been entirely owing to the ease with which any sum, however great, could be procured for the public service.

Indeed, when money can be raised without difficulty, the greatest exertions may be made with the highest probability of success. No attempt is rendered fruitless, from the inability of sending force sufficient to achieve the enterprise. Pinto's observations upon this head are conclusive. "If a nation (he remarks) is able to raise only two thirds of the money which any particular service demands, those two thirds will probably be thrown away. If the English, for instance, had sent a fleet and army, weaker by one third than it was, to conquer the Havanna, the expedition would not only have miscarried, and the whole expence would have been lost, but that loss would have occasioned many others. Instead of the treasure, and other advantages produced by their success, every circumstance would have been inverted⁴." By the magic of public credit, fleets are equipped, and armies are levied, with an expedition almost incredible; and Pompey's boast, that he could raise so many legions by only stamping with his foot, is completely verified⁵.

It is even acknowledged by a respectable Writer, who is no friend to the funding system, that when money is borrowed to defray the expences of a war, the private revenue of individuals is necessarily less burdened, than if the supplies were raised within the year; and consequently they are better enabled, at least whilst the war continues, to save and accumulate some part of their revenue into capital, and by their

³ The Querist, N^o 233, 234.

⁴ Essay on Circulation and Credit, p. 41. The translation by Mr. Baggs is referred to on account of the valuable Notes which it contains.

⁵ See Mortimer's Elements of Finance, p. 364, 365.

frugality and industry, to repair the breaches which the waste and extravagance of government may occasionally make in the general capital of the State⁶.

But there are other advantages resulting from the funding system, which it may be proper here to mention.

If supplies were raised within the year, and the expences of war were considerable, every individual would be obliged, in consequence of the additional weight of his contributions, greatly to curtail his expences; and the employment of the poor, and the consumption of the rich, would be considerably diminished. Whereas, when taxes are nearly equal, in times of peace and war (which can only be the case where the system of funding is adopted), the value of every species of property, the mass of national industry, and the circulation of national wealth, are maintained on as regular, steady, and uniform a footing, as the uncertainty and instability of human affairs will admit⁷. Indeed, before public credit is carried to too great a height, a war maintained by national loans and taxes, may be accounted even an advantage to the State. It is of service to the poor, because the price of their labour increases with the greater demand for labourers; it is of use to the rich, for the greater occasion there is for money, the greater is the profit of

⁶ Smith's *Wealth of Nations*, vol. ii. p. 558. To illustrate this point, let us suppose, that during a period of thirty years, we were to have twenty years of peace, and ten years of war; for the carrying on of which, ten millions of extraordinary supplies must annually be raised. Is it most for the public advantage, to levy the ten millions every year during the war, and pay nothing during peace; or to raise the money by loans, and pay an equal share of the expence in time of peace, as well as in time of war? If a common carrier has ten hundred weight to remove, is it not better for him, instead of putting it at once upon his horse's back, gradually to remove it? In the same manner, when a State, for its safety and protection, is obliged to make great exertions, and to load itself with heavy burdens, is it not preferable, by spreading and extending the load, to render it as light as possible? See Letter to a Member of the House of Commons, p. 27.

⁷ See Gale on Public Credit, part i. sect. 3. Nay, this intelligent Author contends, that borrowing money is not only the most convenient method of raising extraordinary supplies, but is also productive of an actual saving to the State. But his arguments in support of such a position are obscure, and are not justified by recent experience. Besides, he does not take into his consideration, the charges of management, nor the heavy expence of collecting the revenue necessary to defray the interest of a public debt, nor the commercial disadvantages with which taxes are accompanied; and particularly forgets, that duties on consumption, which must at last be resorted to, take considerably more out of the pockets of the public, than comes into the exchequer.

those who have money to lay out: and foreign wars, though unavoidably attended with many private calamities; yet generally put an end to public discord, and free the country of a number of turbulent and vicious characters, who are a pest to society⁸.

Among the advantages of the funding system, there is none which its friends have so highly extolled, and its enemies have so loudly reprobated, as its tendency to attract money from foreign countries, and the consequences with which that circumstance is attended. It may, perhaps, be of service to a state at war, to be able to draw some resources from other nations; and the want of such aid (as Pinto observes) might have checked and enfeebled all our military operations. Perhaps, also, the Bank of England, and the East-India Company, the establishment of which has added so much to the wealth and commerce of this country, could not have been erected, or carried on with such effect, from the low state of the trade and resources of England at that time, if it had not been for the assistance they originally received from foreigners: and perhaps, so great is the amount of our public debts at present, that the quantity far exceeds our consumption or demand at home; and our funds could hardly be kept up at any tolerable price, without foreign purchasers⁹. At the same time, whether foreign property in our funds, ought to be accounted of public detriment or advantage, is perhaps the most difficult question of any connected with the funding system.

2. Attracts
money from
abroad.

I am apprised of what a very intelligent author has said, "That the trading subjects of this kingdom, from the Farmer to the Merchant, make upon an average upwards of ten *per cent. per annum*, of the money borrowed from foreigners, by our government, at little more than four; and thence, that a profit arises of nearly six *per cent.* to enable the people to bear the burden of an increase of taxes, and to give them a fresh contributive faculty of subscribing to new loans¹⁰." But it must be acknowledged, that if the money borrowed is immediately wasted in foreign expeditions, and never comes into the circulation of

⁸ Ramfay's Essay on the Constitution of England, p. 70. Letter to a Member of the House of Commons, p. 28.

⁹ Essay on Credit, p. 9. also p. 35.

¹⁰ Mortimer's Elements of Finances, p. 386. edit. 1772. See also Hope's Letters on Credit, p. 21. 30, 31.

the country, the nation that borrows, pays interest to foreigners for a sum of money, without reaping from it any solid advantage. The only benefit it can possibly produce is, that it renders it unnecessary to raise the money at home, by which the commerce and circulation of the country would probably be injured¹¹.

At the same time, it is proper to observe, that when foreigners are admitted into the public funds of a country, they become naturally interested in promoting its happiness and prosperity. "Where their treasure is, there will their hearts be also." And not only many wealthy individuals who are born in other countries, are gradually led to consider the State in which their property is settled, as their home, and thence are induced to come and reside in it; but if any great revolution, or a long series of destructive hostilities were to take place on the Continent (from which we might be happily exempted in consequence of our insular situation), the greater part of our foreign creditors might find it equally necessary and desirable, to shelter themselves in England from the storm, and this country would receive a valuable addition to its population and wealth¹².

3. Keeps
money at
home.

The public debts of a nation not only attract riches from abroad, with a species of magnetic influence, but they also retain money at home, which otherwise would be exported, and which, if sent to other countries, might possibly be attended with pernicious consequences to the State whose wealth was carried out of it. If France, for example, maintained its wars by borrowing money, and England raised all its supplies within the year, the necessary consequence would be, that all the loose and unemployed money of England, instead of remaining here, exposed to the chance of being taken up by a government, who gave no interest in return for the use of it, would naturally be transmitted to France, where it could be placed out to advantage. It is well known, that the prospect of high interest has tempted many unworthy Englishmen, to invest their property in the funds of that kingdom; and we may judge from thence, what would be the case, if the funds of England were not in existence. In every state, however poor, laws are enacted to prevent the exportation of its specie, and

¹¹ See Essay on Circulation, p. 35. Note.

¹² For many excellent observations on this part of the subject, see Sir James Stewart's Inquiry into the Principles of Political Oeconomy, vol. ii. p. 442, 443, 450, 451, 462, 463, 464.

the diminution of its circulating wealth. But the establishment of public debts is the most likely means to hinder it. For none but profligate usurers would think of sending their property into another country, to support the credit and consequence of a foreign, and perhaps an inimical power, when it is possible to lay it out at home, with any tolerable advantage.

Public debts are particularly favourable to circulation. The taxes which they occasion upon the property of the rich, and the encouragements which they hold forth to the avaricious, prevent the accumulation of private hoards, and bring the whole money, and personal property of a country, into the market. The beneficial consequences resulting from such a circumstance are well known. Unless the property of a nation circulates, it is of no real use to the community. Treasures concealed and hoarded up, might as well still remain in the bowels of the earth, for any benefit they yield to the public.

We are told, that Eumenes king of Pergamus, one of the ablest statesmen of antiquity, finding that he had reason to distrust some of his officers, borrowed money of them, with a view of insuring their fidelity; as they might easily perceive, that they stood no chance of being repaid, if by their treachery his ruin was effected: and it is said, that Bishop Burnet, with similar views, advised William III. to run the nation into debt, in order to secure the support of the wealthiest individuals in the kingdom¹³. But it is probable, that the debts contracted at the Revolution, were more owing to the distresses of the times, and the difficulty of raising the necessary supplies within the year, without burdening the people, than to any political motives. When once debts, however, are incurred, it is evident that every individual creditor is led by his own interest to support the government, on the prosperity and existence of which the security of his property depends; and whoever considers for a moment, the many calamities with which revolutions are accompanied, will not probably regret, that an additional circumstance should take place, which contributes to confirm the stability, and to prolong the existence of an established government, whilst it is conducted with sufficient attention to the rights and happiness of the people.

4. Brings
money into
circulation.

5. Attaches
people to
government.

¹³ Swift's History of the Four last Years of the Reign of Queen Anne, edit. 1758. p. 158.

6. Encourages commerce and industry.

The facility with which individuals, in a country where public debts exist, can lay out the property they have acquired by their labour or ingenuity, without the risk of commercial bankruptcies, or the unavoidable expences and small profit which landed estates yield, and without even abandoning their professions, is no small encouragement to industry. To a certain extent therefore, such public securities are highly useful to a trading people¹⁴. It encourages a set of men, described by Hume, as half merchants, and half stock-holders, who are able to carry on trade without great pecuniary advantages; because commerce is not their principal or sole support, their property in the funds being a sure resource for themselves and their families. "And the small profit which such merchants require, when compared to what otherwise would be necessary, renders their commodities cheaper, causes a greater consumption, quickens the labour of the common people, and helps to spread arts and industry throughout the whole society".

Nay, Pinto is so enraptured with the funding system as to contend, that every new loan, creates a new artificial capital, which did not before exist, which becomes permanent, fixed, and solid, and circulates with as much advantage to the public, as if so much real additional treasure had enriched the kingdom¹⁵. And another author roundly asserts, that if our national incumbrances were paid off, we should be obliged to run ourselves again, as fast as possible, into debt; in order to recover our trade, our happiness, and our prosperity¹⁶. But such a whimsical mode of coining wealth, of amassing treasure, or of insuring the prosperity of a nation, no wise State will probably much depend on.

Such are the advantages which are commonly enumerated, as connected with the funding system; and so beneficial do they appear, that

¹⁴ Blackstone's Commentaries, vol. i. p. 328.

¹⁵ Hume's Essays, vol. i. p. 366, and 367. The whole passage is admirable, and ought to be carefully examined.

¹⁶ The national debt is as much a real possession, as any property in silver or in gold. Its value is founded on the opinion of mankind, and on the difficulty of its acquisition, which alone make gold and silver of more estimation than copper or tin. Hope's Letters on Credit, p. 19.

¹⁷ Reflections on the National Debt, by J. Champion. See such ideas refuted, Smith's Wealth of Nations, p. 556.

one author, who has carefully investigated the subject, calls it a masterpiece of human policy¹⁸; and another compares it to that species of inundation, which carries riches and fertility, as well as terror, along with it¹⁹. Let us next examine the arguments adduced by those who consider it in a very different point of view.

III. Disadvantages of the Funding System.

It is difficult to arrange the numerous arguments, which, in various languages, and from authors almost innumerable, have at different times been thrown out, to prove the dangerous consequences, and indeed inevitable ruin, which necessarily attend public debts, when carried to any height. It is proposed, however, to investigate with as much brevity as possible, 1. The disadvantages attending this mode of procuring money in cases of emergency. 2. The pernicious consequences resulting from public debts, whilst they remain unpaid: and 3. How far they have a destructive tendency to increase and accumulate.

The possession of unbounded credit, like the accumulation of an immense treasure, is too apt to make a nation inclined to engage in rash and dangerous enterprises; and a State that can borrow fifty, or, if necessary, even a hundred millions, in the course of a war, thinks itself entitled to become an umpire among surrounding nations, and readily draws its sword upon every trifling occasion. Hence debts are often contracted, not in support of measures advantageous to the public, but in ridiculous quarrels, to gratify the humour of a headstrong populace, or to carry on the visionary projects, of the sovereign, or his ministers. “It is scarcely more imprudent (says Hume) to give a prodigal son a credit in every banker’s shop in London, than to empower a statesman to draw bills in this manner upon posterity²⁰.” Nay, this is a disadvantage attending the funding system, which its warmest advocate is under the necessity of acknowledging²¹.

1. Disadvantages of public credit.

When a nation also borrows money, it is generally in a state of distress, and must submit to any terms which the money-lender thinks

¹⁸ Elements of Finance, p. 378.

¹⁹ Essay on Public Credit, pref. p. 6.

²⁰ Essays, vol. i. p. 365. See also Reynal, vol. iv. p. 453.

²¹ Essay on Credit, p. 107, 108.

proper to impose. That unhappy situation, the creditor uniformly takes advantage of, to make the public pay dear for the assistance it receives.

"Hinc usura vorax, avidumque in tempore fœnus,"

"Hinc concussa fides, & multis utile bellum"²².

Nay, if hostilities are not carried on to maintain the essential interests, or to preserve the very existence of a nation, it is no undesirable circumstance, that the public should feel the pecuniary calamities of war, so as to render it desirous of peace, when reasonable terms can be obtained. When money however can easily be procured; and the nation is only loaded with an annuity to pay the interest of the debt that is incurred, war is a pastime to the people, which they are not desirous of giving up, whilst they are occasionally favoured with Extraordinary Gazettes, announcing the victories gained by their fleets and armies, and celebrating the valour of their troops, and the conduct of their commanders²³.

2. Pernicious consequences of public debts whilst they remain unpaid.

But if it were allowed that a nation, when it contracts public debts, may reap considerable benefit by expending the money that it borrows, in well-judged and successful enterprises; yet it is evident that such incumbrances must be attended with considerable disadvantages, whilst they remain unpaid.

1. The income necessary to pay the interest of a public debt, is a heavy burden upon the wealth and industry of a nation. The additional taxes, which it gives rise to, necessarily occasion an increase in the price of all the necessaries of life, and renders it more difficult for the manufacturers of a mortgaged State, to carry on a successful competition with the subjects of other powers, who may happen to be in a less embarrassed situation; and it is well known, that the ruin of the manufacturers of Holland, is universally attributed to the weight of taxes, which the public debt of that country has entailed upon it. Nay, what some authors consider as the most obnoxious of all the public evils, consequent to the funding system, is, that the active and industrious subject should thus be loaded with heavy burdens, to maintain the useless and indolent creditor in luxury and splendor²⁴.

²² Lucan.

²³ Wealth of Nations, vol. ii. p. 550, 551. 558, 559.

²⁴ L'Esprit des Loix, l. xxii. c. 17. Blackst. Comm. vol. i. p. 329. Hume's Essays, vol. i. p. 368. Reynal, vol. iv. p. 454.

2. Public debts have also a tendency to promote idleness and immorality among the people at large. The money necessary to pay the interest of such incumbrances cannot be raised, unless the legislature encourages, or at least winks at, immoderate expences in all the different ranks of the people. A large and voluptuous capital is therefore suffered to encrease, and meets with every possible encouragement, notwithstanding its tendency to corrupt the manners, and to diminish the numbers of the people. But every object of that nature, however important, must be sacrificed for the benefit of the revenue²⁵.

3. When a nation is encumbered with debts, a pernicious spirit of gambling is introduced. Stock-jobbing, with all its train of dangerous consequences, necessarily arises: A monied interest is erected, the sole employment of which, is that of drawing every possible advantage, from the wants of individuals, or the necessities of the public: selfish and interested principles spread their destructive influence far and wide: public spirit either ceases to exist, or becomes the object of ridicule²⁶.

Indeed, stock-jobbing is said to be a necessary consequence of the funding system, without which the public could not borrow such large sums of money, as may be necessary for the enterprises it has in view²⁷; and unfortunately, to a certain extent, that circumstance must be admitted. It is the hope of great advantage (and without gambling, much profit could not be acquired) which engages individuals to subscribe to new loans, and collects together the immense sums of money which are necessary for that purpose. The practice is at the same time attended with so much real injury to individuals, that no advantage can compensate for the mischiefs which it produces²⁸.

4. But a nation is not only heavily burdened, to defray the interest of its debts, but is also obliged to maintain a number of officers to collect such branches of the revenue as are appropriated to that purpose, and to defray the expences, with which the conducting or management

²⁵ Hume's Essays, vol. i. p. 367, 368, 369. Reynal, vol. iv. p. 454. *L'Esprit des Loix*, A. xxii. c. 17. Enquiry into the original of the Public Debt, p. 12.

²⁶ Original of Public Debt, p. 13. 14.

²⁷ Essay on Public Credit, p. 37, 38.

²⁸ See this subject fully and ably discussed, in Mortimer's Elements of Finances, p. 374. 392.

of public funds is attended. And in a limited monarchy, like that of England, such a circumstance is peculiarly injurious; for the creation of a number of places, and the entertaining a whole host of officers of the revenue, has a tendency to produce very important alterations in the nature of its government²⁹.

5. If public debts attract money from abroad, they are also attended with the pernicious consequence of rendering one State in a manner tributary to another. It is supposed that foreigners are at present possessed of about a ninth part of the national debt of England, and consequently must receive about a million a year from this country. If we were obliged (as one author very ingeniously remarks) to pay a tribute of that amount to France, or to any other foreign State, every person would declare, that the nation must infallibly be undone; yet, the tribute paid to foreign creditors, is at present on a footing infinitely more pernicious³⁰: for it is impossible to get clear of it, unless by a public bankruptcy, or by paying above thirty years purchase to the foreign annuitants; a sum fully equal to the whole specie that circulates in the nation³¹. But the experience of England does not tend to justify such political speculations; and there is still some reason to hope, that permitting foreigners to acquire property in our funds, instead of proving the means of transporting our people and our industry to other climes, as Hume so much apprehended³², may be productive of very opposite consequences, and may yet increase the wealth and population of this country.

Lastly, When public debts are carried to a great height, they tend to weaken the nation by which they are incurred. Wars, though perhaps necessary for the safety of a State, must be avoided; for the resources by which they ought to be carried on, are already spent. Among the other causes therefore of national ruin, the practice of funding is

²⁹ Blackst. Comm. vol. i. p. 336. Elements of Finance, p. 373. 387, 388. Original of the National Debt; p. 15.

³⁰ See Original of the Public Debt, p. 17. Blackst. Comm. vol. i. p. 329. L'Esprit des Loix, l. xxii. c. 17.

³¹ Reynal (vol. iv. p. 452.) says, that borrowing money from foreigners, is in fact, selling to them one or more of the provinces of the empire: and declares, that perhaps it would be a more rational practice to deliver up the soil, than to cultivate it solely for their use.

³² Essays, vol. i. p. 369.

enumerated, as, sooner or later, the source of weakness and desolation to every State where it has been adopted²¹.

Every political system may in two respects be highly exceptionable. It may either be founded on improper principles in itself, or it may have a strong and natural tendency to be perverted. To the latter objection, it can hardly be denied, that public debts are particularly exposed.

3. Tendency to increase and accumulate.

In fact, not an instance can be produced from history, of any nation having once begun to run itself into debt, that the burden was not perpetually increasing. No considerable progress was ever made, excepting in France, under Sully's administration, in diminishing such incumbrances. The same want of public zeal (which perhaps was the occasion of a national debt being originally contracted) renders it popular to defer taking any manly and decisive measures, for the liberation of the revenue. The parties principally interested, become every day more callous and insensible, to the dangers they are likely to encounter, or are ignorant how deeply they are concerned in preventing such delays. The creditor is in general satisfied, with having his interest punctually paid him; and at any rate is not entitled to demand the capital of his debt. The minister, happy to be relieved from the most obnoxious of all duties (that of adding to the burdens of the people in time of peace) employs his thoughts in concerting the means of preserving his own power, and of humbling his opponents, regardless of the immortal reputation he might acquire, by pursuing a different system; whilst the public at large, loaded with accumulated burdens, hating the past, and dreading the future; without zeal, and without spirit, prone to sloth, and incapable of exertion, suffer matters to go on as they are, neither knowing what to hope, or what to fear.

Such are the principal objections which have been urged against the funding system; a general view of which, collected from the principal authors who have written upon the subject, it was imagined, would not prove disagreeable to the reader. Many have been so strongly impressed with the solidity of these arguments, that a thousand prophecies have been made, that our debts would prove the utter ruin of this country;

Reflection.

²¹ Ferguson's Essay on Civil Society, p. 389. Smith's Wealth of Nations, vol. iii. p. 363, 364. Hume's Essays, vol. i. p. 369, 372. Blackst. Comm. vol. i. p. 329.

that

that a hundred millions was a greater burden than it could possibly bear; and that the nation must either destroy its debts, or its debts would destroy the nation. Notwithstanding all these gloomy predictions, it is evident, that the nation still remains in a flourishing situation; and consequently, that our national incumbrances are not quite so destructive as they have sometimes been represented. But the funding system, on its present footing, is doubtless attended with many fatal consequences. It is a question therefore of considerable importance, whether a plan of borrowing money *might not* be formed, liable to no material objection, productive of many public advantages, and capable of exalting a nation to the greatest degree of happiness and prosperity. With a few observations upon that subject, it is proposed to conclude the present Chapter.

IV. Plan of establishing the Funding System on the most beneficial Principles for a Nation.

When a nation resolves to defray its extraordinary expences by borrowing money, it ought to set out upon certain fixed and unalterable principles, confirmed in the most solemn manner by the whole legislature, and from which it ought never to depart.

1. The first principle that the public ought to establish, is never to become bound to pay an *iota* more, than the specific principal sum which it originally borrowed. Adding an artificial to a real capital, or pledging the public to pay a hundred pounds, when perhaps only sixty were received, is the most pernicious of all financial operations; and any minister that proposed such a plan in Parliament, ought to be made liable to impeachment. It will probably be alledged, that it may be found impossible to borrow money, without giving the creditor that usurious advantage. That objection, however, ought not to be regarded. For when the money-lender knows, that every other plan is contrary to an established law, which cannot safely be infringed, his ideas will be regulated accordingly, and the difference will be made up by premiums, or, in the language of the Alley, by an additional *bonus* or *douceur*, on principles less pernicious to the public. Indeed, if money cannot be borrowed in such a manner, it is a sign, either that the minister is deservedly

servedly unpopular, or that the war is unnecessary, and consequently ought not to be persevered in.

This rule, if invariably adhered to, will for ever prevent the accumulation of a great artificial capital, which terrifies the imaginations of mankind, depresses the spirit of the people, diminishes their credit, and consequently impairs their strength.

2. It ought also to be an unalterable law of the land, that after the creditor has received the interest originally agreed upon, for the space of five, or at the utmost seven years, it shall be in the power of the public to pay him off, if money can be borrowed for that purpose at a lower interest. This principle, if rigorously attended to, will gradually occasion, a great diminution, in the interest of our debts. England, at this time, pays only three *per cent.* for money that was originally borrowed at eight; and where artificial capitals do not obstruct such a measure, a nation can always borrow, in time of peace, at a cheaper rate, than in time of war, and thus the weight of its debts may be perpetually diminished³⁴.

3. A State determined to carry on its wars, by the funding system, ought never to borrow money upon any other principle, than that of perpetual annuities. All long and short annuities, and annuities for lives, whether tontines or otherwise, ought to be avoided. They breed confusion in the public accounts; they occasion a great additional expence for management; and the money that is borrowed, is procured upon terms infinitely more disadvantageous to the public. Whether, in time of peace, some money might not be raised, in a favourable manner, upon life annuities, is questionable; but, there can be no doubt that, in time of war, it is impossible for the public to make any tolerable bargain with money-lenders, founded on any uncertain contingency.

³⁴ It is well known, that the interest of money is perpetually decreasing, with the increasing wealth and commerce of a country, and of that circumstance the public is particularly able to avail itself: For when it regularly and punctually pays the interest of its debts, it can always borrow in time of peace on better terms than private individuals, on account of the greater ease and certainty with which the interest of its annuities are received, particularly by those who reside in the capital.

It is also proper to remark, that diminishing the interest is not sufficient. It is also necessary to lessen the capital, by seasonable and well-conducted operations.

Besides,

Besides, whatever may be said in regard to calculations in the Alley, that an annuity for a hundred years, is equal to a perpetuity ; yet, as Dr. Smith well observes, those who buy into the public stocks, in order to make family settlements, or to provide for remote futurity (and they are the principal buyers and holders of stock), and corporations of every kind, are not fond of buying into a fund, the value of which is perpetually diminishing. And though the intrinsic worth of an annuity for a long term of years, is nearly the same with that of a perpetual annuity, yet it is not so valuable in the market, is never so much in request, and does not find the same number of purchasers³⁵.

Indeed, if a nation is determined to persevere in the funding system, the wisest and most politic step it can possibly take, is to adopt that mode of procuring money, which is the most likely to be the cheapest and most advantageous in the course of ages. It may flatter itself, that when it borrows upon short or long annuities, it will reap considerable advantages, when such annuities are extinguished. But it ought at the same time to remember, that before the annuities can cease, more money, in all probability, must be raised ; and if the same unprofitable system is adhered to, the nation will always be borrowing money upon disadvantageous terms.

4. The establishment of an unalienable sinking fund, for the redemption of public debts, is another principle, which, in a State, where it is proposed to persevere in the funding system, cannot possibly be dispensed with ; and such a fund ought to arise, not from any little surplus of revenue, or the increasing produce of particular branches, but should be founded on some great, solid, and productive tax, proportioned as much as possible to the wealth of the nation, and the debts it has incurred. For that purpose, no plan would be so effectual, as a permanent regulation, by which every individual, having property in England, whether natives or foreigners, was under the necessity of leaving to the public, at least *one half of his clear annual income* in this country, at the time of his death. No testament ought to be valid, without such a bequest ; and if any person died intestate, a year's income should be exacted. A revenue of this kind, would always keep the debts of a nation within moderate bounds, and could hardly be evaded.

³⁵ Wealth of Nations, vol. ii. p. 547.

5. The care of such an unalienable sinking fund, should be entrusted to individuals peculiarly responsible for its success. A special commission should be appointed for that purpose alone. A different set of individuals should be pitched upon to pay off public debts, from those by whom they are contracted; and the progress made in discharging the incumbrances of a nation, ought never to be so involved with other operations of finance, as to become imperceptible to the eye of the public.

6. Every means should be adopted that might have a tendency to encourage individuals, when they had no near relations, to leave their fortune and property to the public. The effects of such a measure, particularly in wealthy and commercial nations, would be almost incredible. But this is a subject, which will afterwards require to be more fully investigated. At present, it is sufficient to remark, that if such a spirit had been encouraged, when our debts were originally contracted, and particularly, if those sums had been left to the State, invariably appropriated, and accumulated at compound interest, which were bequeathed to other public purposes of less general utility, no inconsiderable share of our present immense incumbrances would have been long since cancelled.

Lastly, peculiar checks, and additional securities ought to be contrived, to prevent the waste of the money that is borrowed³⁵. It is the abuse of the funding system; the fraudulent practices, and shameful profusion of those who are entrusted with the guardianship of the public purse, which occasion confusion and distress in the finances of a country. Pinto asserts, that the English might have done as much during all their wars, with one third less expense³⁷. This is undoubtedly exaggerated. But no one can possibly deny, that if effectual steps had been taken at the revolution, to check public frauds, and if the same measures had ever since been persevered in, a considerable portion of our public debts would have been prevented.

³⁵ The best check undoubtedly would be, to order such money to be paid to parliamentary commissioners, according to an ancient practice in this country. Such commissioners ought to have the whole charge of borrowing and expending the money. The consequences of trusting such powers to a minister, must ever be ruinous.

³⁷ Essay on Credit, p. 107.

Conclusion.

These are the principles on which public debts may, in general, be safely contracted, and which, if steadily adhered to, would always prevent the funding system from becoming burdensome, or ruinous to a State. Nor ought the investigation of such a subject to be accounted useless to this country. For though our principal object, at this time, ought to be, how to overcome the difficulties in which we are involved from past misconduct, yet an invariable plan of borrowing money for public services, in time to come, should be formed without delay; and indeed our present incumbrances ought, if possible, to be reduced within the bounds of such permanent regulations, as the abilities of our statesmen, and the wisdom of our legislature, may deem most conducive to the interest of the community.

C H A P. III.

Of the Public Debts of England, prior to the Revolution 1688.

THE public debts of a nation, when it is subject to a monarchical form of government, may be considered in two different points of view: either as the personal debts of the sovereign, or as real incumbrances on the community.

A modern French author¹ (Monsieur Linguet) contends, that in an absolute government, like France, the reigning prince has only a temporary interest in the revenues of the State; and consequently, that it would be not only a prudent and humane, but even a legal operation to annihilate the public debt at the commencement of every reign. But in England, where a limited monarchy exists, and where the money is borrowed by the representatives of the people, he thinks that the whole kingdom stands pledged for the security of the contract, and

¹ Linguet, *Annal. politiq. du dix huitieme siecle*, tome i. p. 38.

that

that such a measure would be a disgraceful and criminal bankruptcy.

It is impossible to perceive, either the justice of the distinction stated, or the benefit that would result from it, to an absolute government.

As to the justice of the measure that is proposed, it is evident that the money is borrowed in both cases by the legal sovereign, and is supposed to be expended for the public uses of the State; and whether the sovereign that enters into such pecuniary engagements, is a despotic monarch, or consists of many individuals, does not seem to be material.

With regard to the advantage of such a distinction, it would soon appear how unserviceable it must prove. The credit of an absolute monarch, who could only give security to his creditors, during his own life, would be necessarily unproductive and insignificant. Indeed such a principle would be equivalent to the establishment of a perpetual inability of borrowing money, even in the most pressing emergency, except on terms the most usurious and destructive.

But the reader will be better enabled to form an opinion on this curious subject of political speculation, from examining the history of our public debts prior to the Revolution, during which period they were only accounted the personal obligations of the sovereign, and weighing the consequences they produced at that time, when put in comparison with those perpetual national incumbrances which have since taken place.

The unfortunate Henry III. is the first monarch of England whose debts are recorded in history. In the sixteenth year of his reign, they had become so great, that parliament was obliged to grant an aid to assist him in paying them off. His pecuniary distresses, however, were perpetually encreasing, in consequence of his folly and extravagance; and he in vain endeavoured to relieve them, by pawning the jewels of the crown, his robes of State, and other regal ornaments; nay, the shrine of St. Edward, though at that time an object of particular veneration. Indeed, we are informed by Matthew Paris, that he owed so much, to so many different people, for the very necessaries of life, that he durst hardly appear in public, for the clamours of his creditors. And other

Henry III.
1232.

historians² represent him as publicly declaring, that such were his difficulties, that it was more charitable to give him money, than any beggar at the door.

Edward I. Henry died considerably in debt; but his son Edward I. was induced, either from the generosity of his own disposition, or from a superstitious idea which prevailed at that time, that the soul of the deceased remained in purgatory until all his debts were paid, to make great exertions in order to discharge them³. And those incumbrances, which the many wars he was engaged in, rendered it necessary for him to incur⁴, he was always anxious to pay off, as speedily as his narrow revenue, and small resources would permit.

Edward II. It appears that Edward II. imitated his father's example, in resolving to discharge the debts of his predecessor; for in the third year of his reign, writs were issued to the collectors of the customs, requiring them to pay certain vast sums of money to his father's creditors, out of the said customs, and 100,000*l.* besides, for the loss and damage they had sustained, in consequence of the late and slow payment of the money that was due to them⁵.

Edward III. The various military expeditions carried on by Edward III. necessarily involved him in the greatest difficulties. It is stated in the very writ, Anno 1340. by which a parliament was summoned in the fourteenth year of his reign, that he had borrowed so much money abroad upon his *personal security*, that if the sums for which he stood engaged were not all paid, he was obliged in his own proper person to return to Brussels, and to remain there, as a pledge to his creditors. Compulsive loans were not unusual during his reign⁶; and pawning the royal jewels, nay the crown of England itself, were measures to which his necessities compelled him.

Richard II. Richard II. at first endeavoured to establish the credit of the crown, by exerting himself to pay his grandfather's (Edward III.) debts, which

² See Stevens's History of Taxes, pref. p. 31. See also Parliamentary History, vol. i. p. 27, 28. 44.

³ In the words of the record, "ad exonerationem animæ Henrici regis, patris nostri."

⁴ See Turner's case of the bankers and their creditors, p. 37.

⁵ Case of the Bankers, p. 20.

⁶ Parliament Hist. vol. i. p. 251.

were very considerable. The commons had petitioned the crown for that purpose, in the fourth year of his reign. They declared, that such a payment would be a strong encouragement to his Majesty's subjects, to lend him money on any great and unforeseen emergency. The answer from the throne was very gracious; the King declaring, that the request had been in a good measure already fulfilled, and that the remainder should be done according to their petition⁷.

It was in the reign of this monarch, that the first attempt was made to raise money by the assistance of Parliament. A plan had been formed of invading France with a formidable army; but such was the poverty of the exchequer at that time, that it was found impracticable to attempt it, without borrowing money for that purpose. The King therefore, had consulted with the principal merchants of London, and of other wealthy towns, about a loan. But so many of them had sustained such heavy losses by former loans, that they refused to lend any considerable sum of money without the security of Parliament. In order to procure the sanction of that assembly, a Parliament was summoned, and when the commons demanded what sum was necessary to defray the charges of the intended expedition, they were answered *sixty thousand pounds*: even that small sum could not be procured. The nobility pretended that they had no money; but they were willing to serve the King personally in the war. The merchants on the other hand refused to supply the King's wants, unless they received the most indisputable security, and unless the nobility, clergy, and gentry would furnish him with a considerable sum without interest. After an ineffectual attempt to raise the money, by granting foreign merchants the liberty of trafficking in England on easy terms, the King was unwillingly compelled to give up the first enterprise he had attempted, for the want of that inconsiderable supply⁸.

Anno 1382.

Among the articles for which Richard II. was deposed, his having extorted money under the pretence of borrowing, which was never repaid, is particularly insisted upon. It is no wonder therefore, that his successor should be particularly anxious to avoid following his exam-

Henry IV.

⁷ Rot. Parl. vol. iii. p. 96. Num. 45. Case of the bankers, p. 17.

⁸ Rot. Parl. vol. iii. p. 122, 123. Parl. Hist. vol. i. p. 394, 395.

⁹ Rot. Parl. vol. iii. p. 419.

ple in that particular. Accordingly we find, that in the sixth year of his reign, when the commons prayed, that all tallies given by his Majesty for money lent to him by his subjects, might be satisfied, according to the true purport of the said securities, notwithstanding any change made in the ministers of State, or officers of the exchequer, the King answered, that good payment shall be forthwith made of the said debts¹⁰.

Henry V.

Anno 1416.

This gallant monarch did not purchase his laurels in France, without oppressing his people, and involving himself in the greatest pecuniary difficulties. In the fourth year of his short, but brilliant reign, his wants became particularly pressing; and a Parliament having been called for their relief, a subsidy of two tenths and two fifteenths (about 60,000*l.*)¹¹ was granted by the laity; and two tenths from the clergy. But, as there was reason to apprehend that the money would come in too slowly for the purposes of the crown, it was proposed, that such as were willing to lend money to the King, should have letters patent to be paid out of the first produce of the subsidy that was granted; and the Dukes of Clarence, Bedford, and Gloucester pledged themselves to see this performed, in case the King should die before the subsequent feast of St. Martin's, in the year 1417. Notwithstanding this additional security (which, however was only contingent), the nation was either so poor, or so little accustomed to proposals of that nature, that only half a tenth and fifteenth (about 14,500*l.*) could be raised; and the King was obliged to pawn the crown, and the royal jewels, to make up the deficiency¹². Another subsidy, amounting to about 38,000*l.* was granted in the seventh year of his reign; the produce of a part of which, the King found means to anticipate with some difficulty¹³. On the whole, it appears that Henry was not only ill-supported by the grants of his English subjects, but also found the utmost difficulty in borrowing money on the security of the subsidies which he received. Whereas, had the funding system existed in his reign, and could wealthy individuals have had full assurance that their money would be repaid, or an adequate interest allowed for it, *even though the King should die*; it is more than probable, that he would have completed the

¹⁰ Case of the bankers, p. 17. Rot. Parl. 6 Henry IV. num. 53. vol. iii. p. 555.

¹¹ 60,000*l.* was about 116,000*l.* of our money.

¹² Rot. Parl. vol. iv. p. 95. Parl. Hist. vol. ii. p. 155.

¹³ Rot. Parl. vol. iv. p. 117.

conquest of France before he died. Whether that would have proved of advantage to this country, or otherwise, is a very different question.

During the reign of this weak and unfortunate monarch, the debts of the crown were often brought under the consideration of Parliament. Henry VI. Soon after his accession, letters patent granted to the bishop of Winchester, entitling him to receive twenty thousand pounds, out of the first money arising from the customs, and other revenues of the crown, were confirmed by an act of the legislature; and the council were empowered by different votes of credit, passed at various times, to give security to the King's creditors, for sums of money, which varied from 50,000*l.* to 200,000*l.* according to the amount of the subsidy that was granted¹⁴. But many of these securities not being taken up, Henry's debts were perpetually accumulating; and they amounted at last to 372,000*l.* supposed equal in value to 1,100,000*l.* of our money¹⁵. The pecuniary difficulties in which this King was involved, joined to the shameful loss of all the immense territories which had been acquired by his father on the Continent, were the great sources of the revolution which afterwards took place in favour of the house of York.

We are told by lord Bacon, in his history of Henry VII. that he often borrowed money of his subjects, but punctually paid it back the very day it became due. It was a constant maxim with him, rather to borrow too soon, than pay too late. The sums he had in loan, at least in the beginning of his reign, were very inconsiderable. At first, he could only procure two thousand pounds, and afterwards only four, from the city of London. But in order to keep up his credit, he was more anxious to repay such inconsiderable debts, than the public is at present about diminishing the many millions which it owes¹⁶. Henry VII.

In the preceding part of this work, some account was given of this monarch's compulsive loans, and other tyrannical exactions¹⁷; and of the acts that were passed, by which the debts he had incurred were discharged. The first statute that was passed for that purpose, is not included in our printed acts of Parliament, but may be seen in Burnet's History of the Reformation¹⁸. The grounds which are stated in the preamble to the bill, as the causes of its being enacted, are truly in- Henry VIII.

¹⁴ Parl. Hist. vol. ii. p. 195. 217. 222. 233. 241. 245. 249. 262.

¹⁵ Ibid. p. 275, 276.

¹⁶ Bacon's Hist. of Henry VII. Edit. 1676. p. 46.

¹⁷ See part i. chap. 8. ¹⁸ Vol. i. Append. No. 31.

HISTORY OF THE PUBLIC REVENUE

famous. It is there declared, "That though divers of his subjects had lent his majesty great sums of money, *which had been all well employed in the public service, and for the payment of which, the lenders had his security;*" yet, in consideration of the great things that the King had done for the church and nation, which had involved him in great expences, the Parliament offered him all the money he had thus received in loan; discharged him of the obligations he had come under; and of all suits that might arise thereupon¹⁹. Another act of a similar nature was passed, in the 35th year of his reign²⁰. Fortunately the statute book cannot produce another example of such despotic, arbitrary, and disgraceful proceedings.

Edward VI.

During the reign of Edward VI. it became an usual practice to borrow money on the Continent; and it appears that he was indebted to banks and to individuals abroad, in the sum of 132,372*l.* 10*s.* for which he paid a heavy interest of 14 *per cent.* His debts within the realm amounted to 108,807*l.* 4*s.* 10*d.* the particulars of which were as follows²¹:

| | | | | | | £. | s. | d. |
|---|---|---|---|---|---|--------|---------|------|
| To the household | - | - | - | - | - | 28,000 | 0 | 0 |
| To the chambre | - | - | - | - | - | 23,000 | 0 | 0 |
| To the wardrobe | - | - | - | - | - | 6075 | 18 | 0 |
| To the stable | - | - | - | - | - | 1000 | 0 | 0 |
| To th' Admiraltie | - | - | - | - | - | 5000 | 0 | 0 |
| To th' Ordinaunce | - | - | - | - | - | 3134 | 7 | 10 |
| To the Surveyer of the Works | - | - | - | - | - | 3200 | 0 | 0 |
| To Calleys | - | - | - | - | - | 14000 | 0 | 0 |
| To Barwyck | - | - | - | - | - | 6000 | 0 | 0 |
| To the Revels | - | - | - | - | - | 1000 | 0 | 0 |
| To Silley and Alderney | - | - | - | - | - | 1000 | 0 | 0 |
| To Ireland | - | - | - | - | - | 13128 | 6 | 8 |
| To Winter, for his Voyage to Ireland | - | - | - | - | - | 471 | 4 | 6 |
| To Barthilmerwee Campagni (the King's Merchant) | - | - | - | - | - | 4000 | 0 | 0 |
| To Portesmouth, and the Isle of Wight | - | - | - | - | - | 1000 | 0 | 0 |
| To the Men of Armes | - | - | - | - | - | 800 | 0 | 0 |
| To the Lieutenant of the Tower | - | - | - | - | - | 997 | 7 | 10 |
| | | | | | | <hr/> | | |
| | | | | | | £. | 108,807 | 4 10 |

¹⁹ Parl. Hist. vol. iii. p. 65.

²⁰ Cap. 12.

²¹ Strype's Ecclef. Memorials, vol. ii. p. 312. Parl. Hist. vol. iii. p. 264.

The

The reader will naturally remark the striking difference between the sums then due on account of the Navy and the Ordnance, and the enormous outstanding or unfunded debts which now exist on these two departments.

Mary began her bloody reign, with an unusual act of grace to her subjects. A supply had been granted by Parliament to her brother Edward VI. for the purpose of paying his debts. The money had not been raised when she came to the throne; and by the advice of the artful Gardiner, she remitted the subsidy, with a view of ingratiating herself with the people, and of rendering a Popish Prince more acceptable to her Protestant subjects. But, short as her reign was, she was reduced to such pecuniary difficulties, as to be obliged to borrow small sums, even so low as ten pounds, according to people's abilities. It is proper however to mention, that when she found it was unlikely that she could live long enough, to obtain any aid from Parliament to pay off the debts she had contracted, she made it one of her last requests to her sister, to see them satisfied²².

The conduct of Elizabeth, in regard to public debts, cannot be better described, than in the words made use of by Sir Walter Mildmay, Chancellor of the Exchequer, on a motion for granting a subsidy to that Princess, in the Parliament held *anno* 1575.

“Notwithstanding all these expences (alluding to the charges in Scotland, Ireland, and in other wars) her Majesty hath most carefully and providently delivered this kingdom from a great and weighty debt, wherewith it hath been long burthened; a debt begun four years, at least, before the death of Henry VIII. and not cleared until within these two years, and all that while running upon interest: a course able to eat up not only private men, and their patrimonies, but also Princes and their estates. But such hath been the care of this time, as her Majesty and the State is clearly freed from that eating corrosive; the truth whereof may be testified by the citizens of London, whose bonds, under the common seal of the city, which have hanged so many years to their great danger, and to the peril of their whole traffick, are now all discharged, cancelled

²² Parl. Hist. vol. iii. p. 288. 343. 357.

“and delivered into the chamber of London, to their own hands. By
 “means whereof, the realm is not only acquitted of this great burden,
 “and the merchants free, but also her Majesty’s credit thereby, both
 “at home and abroad, greater than any other Prince for money, if she
 “have need. And so in reason it ought to be, for that she hath kept
 “promise to all men, wherein other Princes have often failed, to the
 “hindrance of many²³.”

It is to be remarked, that Elizabeth, and indeed her sister Mary, were sometimes obliged, for the better satisfaction of their creditors, to mortgage their domains. Even with that additional security, Mary could not procure from the city of London, the small sum of 20,000*l.* under 12 *per cent.*²⁴.

James I.

James was hardly seated on the throne of England, before he found himself involved in the greatest pecuniary difficulties, in consequence of his own profusion, and the rapacity of his courtiers. It was stated in Parliament, that Elizabeth had died in debt, to the amount of 400,000*l.* But it appears, that she left subsidies due to her, amounting to 350,000*l.* which her successor actually received, and which consequently ought to have been deducted²⁵. A state of the King’s debts, was reported to the House, 11th March, 1622; but the journals are so defective, that it is impossible now to discover the particulars. During this Monarch’s reign, it should seem, that the system of mortgaging grants, and anticipating their produce, was perfectly well known. For in the Parliament held *anno* 1624, the famous duke of Buckingham moved in the House of Lords, “That a meeting might be instantly prayed with the Commons, to propose to them, that certain monied men might be dealt with, to disburse such a sum as was requisite for the present use; the repayment of which to be secured by parliament out of the subsidies intended in the grant, according to what has been heretofore done in the like cases: concluding, that he doubted not, that some would be found to disburse the same, upon that security²⁶.”

Charles I.

The debts that were left by James I. upon his successor, amounted to about £360,000, without including arrears of pensions, and a considerable sum due to the household. So heavy a load, joined to the wars

²³ Parl. Hist. vol. iv. p. 211.

²⁴ Parl. Hist. vol. iii. p. 358.

²⁵ Parl. Hist. vol. v. p. 147. 219.

²⁶ Parl. Hist. vol. vi. p. 120.

which

which Charles attempted to carry on, involved him in the greatest distresses. Had this prince, however, followed the advice given to his father, a little before his death, by that excellent counsellor, the earl of Carlisle; had he, at the commencement of his reign, cast away but some crumbs of his crown, or bestowed some grains of his prerogative on his people, they would probably have exerted themselves to have rendered him happy and respectable²⁷. But the haughty pretensions of Elizabeth, which she knew well how to maintain, when put into the hands of weaker and less able sovereigns, could not easily be supported: This is a subject, however, which has been already stated at considerable length in the former part of this work.

From the commencement of the Civil War to the Restoration, nothing material occurs with regard to public debts. But, no sooner was Charles II. seated upon the throne, than parliament was obliged to take into consideration, the arrears due to the army and navy, which were very great: and the Commons seemed anxious not only to pay them off without delay, but also to prevent the dangerous consequences that might ensue, from leaving even the remnant of a public debt in the kingdom. One member in particular declared, that the incumbrances of the nation would be found to resemble that serpent in America, that could devour an ox at a meal, and then falling asleep might easily be destroyed; but unless his bones were broken to pieces, he grew again as big as before. In the same manner, the debts of the nation, though partially diminished, would again increase, whilst a vestige of them remained: and he recommended to the House, to pay off such incumbrances, by one bold effort; and not to imitate the foolish woman in the fable, who roasted a hen with a faggot, stick by stick, until the faggot was all spent, and the hen still continued as raw as ever. Much good sense is couched under these odd allusions²⁸.

But, however anxious the Commons were, *to break the bones of the serpent*, yet the system of contracting temporary debts, by anticipating the produce of the grants of parliament, was frequently practised during

²⁷ For Lord Carlisle's excellent advice, see Parl. Hist. vol. v. p. 530.

²⁸ Parl. Hist. vol. xxiii. p. 11.

this monarch's reign, and met with every possible countenance from the legislature.

Indeed, so far was a clause of credit from being invented (as some suppose to be the case) posterior to the Revolution, that it was usual, during the greater part of this Monarch's reign, to insert a clause empowering the officers of the Exchequer to borrow money from all persons, whether natives or foreigners, upon the security of the subsidy that was granted; and a law was passed, entitled, "An act for assigning orders in the exchequer, without revocation", which enabled the King to borrow money upon the credit of *any branch of the Revenue*; because in the words of the Statute, "it had been found by experience, that the powers of assigning orders in the exchequer by former acts, without revocation, had been of great use and advantage to the persons concerned in them, and to the trade of the kingdom." Notwithstanding this act, an universal jealousy prevailed, when the disgrace at Chatham took place, that some stop would be put to the payments at the exchequer. But the King issued a proclamation, to dissipate all such apprehensions; and not only declared, that no alteration or interruption should be made in regard to any security already granted, but also pledged himself, that the same resolution should be held firm and sacred in all future assignments²⁹.

Here it is proper to give some account of a transaction which contributed to the many heavy burdens under which we now groan, and which will for ever stamp the character of Charles II. with the most indelible infamy.

Shutting up
the exche-
quer.

The credit of the crown, in consequence of the acts of parliament, and the proclamation above-mentioned, was carried to a very considerable height; and the bankers, and other wealthy individuals, had made it a common practice to advance money to the exchequer, upon the security of the supplies voted by Parliament; and they were gradually repaid, when the produce of the grants came into the treasury. The bankers, by this means, received from eight to ten *per cent.* for money, which their customers had placed in their hands without interest, or which they had borrowed at the legal rate of six *per cent.* But an end

²⁹ 19 Car. II. cap. 3.

³⁰ See a copy of the declaration, *Case of the bankers*, p. 54.

was soon put to such visionary profits: for on the 2d January, 1672, a proclamation was issued, suspending all payments upon assignments in the exchequer for the space of one year, a period which was afterwards prolonged, and never came to a conclusion. The consequences of such a measure may easily be conceived. Confusion overspread the whole country. Many stopped payment, or were ruined: distrust every where prevailed; and a general stagnation of commerce took place, by which the public was not only partially, but universally affected³¹.

The sum of which the bankers and others were thus defrauded, amounted to 1,328,526 *l.*; and the King, by letters patent, charged his hereditary revenue with the interest of that sum at six *per cent.* amounting to 79,711 *l.* 11*s.* 2½*d.* *per annum*³², which was punctually paid, until about a year before his death. The payment was then stopped; and after vainly endeavouring to interest the legislature in their behalf, these unfortunate creditors were at last obliged to maintain their rights before the courts of justice³³. The suit was protracted for about twelve years in the courts below, but judgment was obtained against the crown, about the year 1697. The decision, however, was set aside by Lord Somers, then chancellor; though it is said, that ten out of the twelve judges, whom he had called to his assistance, were of a different opinion. The cause was at last carried by appeal to the House of Lords, by whom the decree of the chancellor was reversed; and the patentees would of course have received the annual interest contained in the original letters patent, had not an act passed *anno* 1699, by which, in lieu thereof, it was enacted, that after the 25th December 1705, the hereditary revenue of excise should stand charged with the annual payment of three *per cent.* for the principal sum contained in the said letters patent, subject nevertheless to be redeemed upon the payment of a moiety thereof, or 664,263 *l.*

The reader will naturally be anxious to know the amount of the loss which the bankers sustained in consequence of this transaction, and the

³¹ Hume's Hist. vol. vii. p. 476. Macpherson's Hist. of Great Britain, vol. i. p. 451.

³² Letter from a By-stander, p. 88. See also Carte's full Answer to the By-stander, p. 91. and 145. Also a Letter to the Rev. Mr. Thomas Carte, p. 81. and 98. And Carte's full Vindication, p. 104.

³³ Comm. Journ. vol. x. p. 224, 225.

HISTORY OF THE PUBLIC REVENUE

effects of such proceedings upon the credit of the crown, and of the public.

The sum to which the bankers and their creditors were entitled, when the matter was thus settled by the interposition of the legislature, was as follows ³⁴:

1. To the original sum stopped in the exchequer, *anno* 1672, £. 1,328,526
2. To 25 years interest, at six *per cent.* (about) - 2,100,000

Total, principal and interest - £. 3,428,526

As by the act above-mentioned, their whole demand was reduced to the sum of 664,263*l.* it is evident that the loss they sustained must have been about 2,800,000*l.*

With regard to the consequences of these transactions, we are told, that, notwithstanding so violent a breach of the public faith, Charles was able, two years after he had shut up the exchequer, to borrow money at eight *per cent.*³⁵ the same rate of interest which he had paid before that event; and Hume from thence takes an opportunity of remarking, "That public credit, instead of being of so delicate a nature as we are apt to imagine, is in reality so hardy and robust, that "it is very difficult to destroy it"³⁶." But the events at the time, were far from justifying this position. In a tract written *anno* 1693 (attributed to the Marquis of Halifax), wherein, among other modes of raising money, he takes into consideration, that of borrowing upon perpetual funds, it is observed, "That the breach of the exchequer credit by "King Charles, will make men very shy of parting with their money "upon new projects at a distance"³⁷;" and indeed, the great difficulty that was found in procuring money after the Revolution, and the high interest that was paid for it, was in a great measure owing to the fatal step taken *anno* 1672, which rendered men cautious in again confiding any considerable sum to government, unless they were tempted by exorbitant profit and usurious advantages.

Amount of
our public
debt at the
Revolution.

It was the more necessary to give an historical account of this transaction, because the above principal sum of 664,263*l.* composes a

³⁴ See a Modest Vindication of the Memory of King Charles II. in relation to the stop at the exchequer.

³⁵ Danby's Memoirs, p. 65.

³⁶ Hume's Hist. vol. viii. p. 226.

³⁷ Somers's Collection of Tracts, vol. iv. p. 67.

part of the present national debt of this country, and indeed is the only portion of it that was contracted before the Revolution³⁸. There was, it is true, a small sum (about 60,000*l.*) due to the servants of Charles II. which was directed to be paid to them in three years, from the 24th of December, 1689³⁹. But it was supposed, that little of it was paid, because there was a proviso in the act, that no money should be given to any of that prince's servants, who did not take an oath to the new government, before the 1st of February, 1690; which, it is probable, many of them refused or neglected to do⁴⁰. There was also, on the 5th of November, 1688, an arrear of 300,000*l.* due to the army, and about 280,000*l.* of the revenues of the crown had been anticipated. But the money that was found in the exchequer, and the sums which were in the hands of the different receivers and collectors of the revenue, fully compensated these demands⁴¹. As to the interest of the sum above stated, it was originally at 6 *per cent.* and consequently amounted to 39,855*l.* 17*s.* 7*d.* *per annum*; but as the bankers debt was incorporated by 3 George I. cap. 7. into the general fund, at 5 *per cent.* and was afterwards subscribed, in consequence of 6 George I. cap. 4. into the South Sea stock, which now bears only 3 *per cent.* interest, 664,263*l.* of principal, and 19,927*l.* 18*s.* 9½*d.* of interest, is the whole of our present debt, contracted prior to the Revolution.

Such are the most material transactions which took place with regard to public debts, during the period of 450 years prior to the Revolution: from an attentive consideration of which, and of the circumstances stated in the ensuing chapter, the reader will be enabled to determine, whether it is most to be regretted, that the funding system ever took place, or that it was not sooner adopted. Had it existed at an earlier Æra, a successful conqueror, like Henry V. would never have been impeded in his progress, by the want of a few thousand pounds, which seems to have been his unfortunate case. Whereas, on the other hand, had no money ever been borrowed, were we now free from the burden of those taxes, which have been imposed, to provide for the interest of our present national incumbrances, the situation of this country, at this time, would be truly happy and desirable.

Conclusion.

³⁸ History of the Public Revenue, by James Poslethwayt, p. 107.

³⁹ 1 William and Mary, Seff. 1. cap. 28.

⁴⁰ History of our National Debts and Taxes, p. 6.

⁴¹ Ibid. p. 7.

C H A P. IV.

Of the Rise and Progress of our present National Debts.

THE three grand political objects that our statesmen seem to have had in view, from the Æra of the Revolution to the present time, were: First, to humble the power of France, which at that period threatened the rest of Europe with total subjection: Secondly, to protect the British Colonies in America, from the encroachments of that powerful monarchy: Thirdly, to preserve the allegiance, and maintain the connexions of those very colonies with their mother country, when, trusting to the promises, and supported by the arms of France, they lately declared themselves independent States. The pursuit of these objects gradually brought on those heavy incumbrances, under which England now groans. Other causes of less moment may indeed have occasionally contributed to increase them: but upon the whole, it will hardly be denied, that our present national debts owe their origin, and the greater part of their amount, to the necessity we have been under, either to oppose the arms, or to guard against the political intrigues of the house of Bourbon, for nearly a century past.

The power that France had attained, and which rendered such exertions necessary, is in a great measure to be attributed to the wretched policy which has too often prevailed in the councils of this country. It began under the government of Cromwell, who, flattered by the artful Mazarine, and expecting to secure acquisitions either on the Continent or in America, that would give lustre to his usurped administration, was induced to join his arms with France, against the weakened and degenerate monarchy of Spain; and by his additional weight, not only elevated the house of Bourbon on the ruins of that of Austria, but also compelled the Spaniards to give their Infanta to Lewis XIV. an alliance which has since been productive of many fatal consequences.

Unfortunately also, the restoration of the royal family did not correct this mistake in politics. During their long residence abroad, they had

imbibed foreign manners and foreign principles, and felt little of the natural, and perhaps useful, prejudices of an Englishman. Charles, dissatisfied with the necessary restraints of a limited government, which his own profusion and misconduct alone could have rendered irksome to him, instead of endeavouring, with the assistance of some other States of Europe, to curb the power of Lewis, actually became his pensioner; and flattered himself with the hopes of being able, by that monarch's assistance, to render himself despotic. His parliament in vain recommended his entering into a war with France; and in vain was every motive held forth, that could have weight with an ambitious sovereign, panting for glory, or a virtuous prince, who wished to be accounted the real father of his people. Alive only to pleasure, insensible of the feelings of patriotism, and callous to honourable fame, he suffered an opportunity to escape, which, had it been embraced, would have rendered all farther exertions, for restraining the power of France, within reasonable bounds, unnecessary. Instead of this, a peace was concluded at Nimeguen, not only highly favourable to that monarchy, but which also furnished it with an opportunity, of preparing for fresh wars, and new acquisitions¹.

When James II. succeeded to the crown, some expectations were at first entertained of his acting a different part. He had more of the spirit of an English sovereign than his brother. His pride inclined him to aspire at being an independent monarch²; nor did he relish the superiority which Lewis affected over the other powers of Europe. But unfortunately he was a bigotted Roman Catholic, and his subjects had every reason to apprehend that their Sovereign was resolved to deprive them of their civil and religious rights and privileges. The Dutch, and other nations in Europe, were at the same time sensible, that while James continued upon the throne of England, they could not depend

¹ It is certain (says Hume) that this was the critical moment (May 1677) when the King might with ease have preserved the balance of power in Europe, which it has since cost this island a great expence of blood and treasure to restore. Vol. viii. p. 31.

² Though he wished to be absolute, yet he was desirous of acquiring unbounded authority, without foreign assistance. Macpherson's History of Great Britain vol. i. p. 513. His ambassadors told the States that he was too powerful a prince, to put himself under the protection of France, and that he had too much spirit, as well as too high a birth, to be treated like the Cardinal of Furstenburg. Ibid. p. 511.

HISTORY OF THE PUBLIC REVENUE

upon his aid to preserve them from being swallowed up by France; and the consequence was, a general combination, both at home and abroad, to put an end to the reign of a prince, whose conduct was so likely to prove fatal to his own subjects, and to Europe in general.

But this leads us to the accession of a monarch, who rescued this country from civil, religious, and political bondage; under whose government, however, our present financial burdens, at least to any great extent, had their commencement.

W I L L I A M III.

Whoever considers the situation of England at the accession of William III. will easily perceive that many circumstances, both foreign and domestic, concurred to render the contraction of a public debt almost unavoidable; particularly as a war with France was necessary to maintain a revolution, so opposite to the views, and so contrary to the interests of that powerful kingdom.

Causes of our
public debts
at the Revolution.

The revenues of England at the time were evidently inadequate to the necessities of the public in so critical an emergency; and yet they could not safely be increased. The English were unaccustomed to heavy taxes, and were not yet sensible, that no nation ever enjoyed civil and religious liberty, without paying dearly for the blessings it affords. Not many years before the Revolution, when the royal family was restored, a vote of Parliament had passed, declaring, that the permanent revenue of the crown ought to be made up 1,200,000*l.* a year. But so enormous did that sum appear, that the necessary steps were not taken for that purpose, until some time after. By different additions, however, the revenue had at last been raised to about two millions a year: but it was complained of as greater than the country could bear; and the partizans of William, having unfortunately held forth the reduction of the revenue as a strong motive for a change in the government, it became necessary, when the Revolution was accomplished, to gratify the people with the abolition of the productive duty of hearth-money, which happened to be particularly obnoxious.

The revenue at that period was not only small in itself, but also, in consequence of the calamities with which wars are always accompanied,

it

it was perpetually diminishing. Tonnage and poundage, which, during the reign of James, had produced 600,000*l.* a year, fell, *anno* 1693, to 286,687*l.* The other branches proportionably decreased, inasmuch that the very same taxes which before the Revolution had yielded 2,001,855*l.* clear of all charges³; in the year 1693, had fallen to 1,104,115*l.*; and in the year 1695, to 811,949*l.*⁴; in which sums, however, no allowance is made for the abolition of hearth-money. Some additional customs and excise had been added, but as they only amounted to 466,203*l.* the whole revenue, *anno* 1693, did not exceed 1,570,318*l.* It is easy to perceive, how much such a circumstance must have damped the spirit of the people, diminished the vigour of their exertions, and increased the burdens of the war.

The affairs of a nation can never be properly conducted, where a spirit of selfishness prevails; whether it arises from attachment to the interest of one man personally to himself, or to the interest of what is called a party. In either case, the effects are much the same, though the object may be more confined, or more extended. That such a spirit prevailed in England, soon after William III.'s accession to the throne, can hardly be questioned. The usual consequences of a factious disposition quickly ensued. The interest of the public was neglected; and nothing was thought of, that would not contribute to promote the views of particular sets of men: nay, party was carried to such a height, that either one description of persons, or another, were ever ready to rejoice when any event happened, tending to increase the national distresses. Nor were the baneful effects of this spirit confined to divided parliaments and fluctuating councils; they extended to our fleets and armies, and to the management of our revenue. "In countries full of divisions (as Davenant well observes), no man is continued long enough in his employment, to gain experience in it. He who begins to know a little, must presently make room for some-

³ Davenant's Works, vol. i. p. 233. But in this sum was included the duty of hearth-money, which yielded 245,000*l. per annum*, and which was abolished before the year 1693. The decrease in the revenue, however, was still very great, amounting, *anno* 1693, to 652,740*l.* and *anno* 1695, to 944,906*l.*

⁴ Ibid. vol. i. p. 20, 21. In Whitworth's edition, from some mistake, hearth-money is charged in the account 1693, though it had been previously abolished.

“body more useful in other matters, or to gratify a side; and hence “the affairs of a prince will ever be disappointed, whilst the principal “officers of the revenue, are frequently made a prey of, to each party, “as they happen to be victorious’.” This respectable author, as a proof of the justice of this observation, mentions, that in consequence of a sudden and improvident change in the commission of excise, the revenue had suffered, in that single branch, no less a decrease than 256,000*l.* a year⁵.

In every factious country, public frauds will abound. Those who get into power, are afraid that they shall not long continue in the management of affairs, and therefore anxiously embrace every opportunity of enriching themselves, at the expence of the public; trusting either to evade discovery, or to escape the punishment they deserve, through the strength and interest of their party. The abuses and fraudulent practices which took place in the various public offices, during the reign of William, were very great. Some frauds were brought to light⁶; and commissioners of accounts were appointed, in hopes of discovering other public defaulters; but with such little effect, that the commons came to a resolution, *anno* 1701, “That it was notorious, that many millions “of money had been given to his majesty, for the service of the pub-

⁵ Davenant's Works, vol. i. p. 180.

⁶ Ibid. p. 184.

⁷ One fraud that was discovered *anno* 1697, though clearly proved, and of an enormous nature, passed unpunished. Exchequer bills, when first issued, were not entitled to any interest; but when paid in, on account of any tax, they received upon the second issue (if indorsed by the proper officer), an interest of 5*l.* 12 *s.* *per annum*. This encouraged several of the officers of the excise and customs to contrive together to get great sums of money, by false indorsements, before such exchequer bills had been circulated. Many officers had enriched themselves by this fraud, and Duncombe, receiver general of excise, had amassed a fortune of 400,000*l.* A bill passed the House of Commons, fining this flagrant offender in about one half of that sum; but it was rejected by the Lords, in consequence of the exertions of a noble Duke, who was suspected of having been gained over by a golden sacrifice. The other persons guilty also escaped. Life of Hallifax, p. 50.

It also appears, that many exchequer tallies were struck with interest, for considerable sums of money, not only when there was no occasion to raise the money, but when part of the produce of the tax, on which the tallies were struck, had come into the exchequer. See an account of the proceedings of the House of Peers, in regard to the public accounts, printed *anno* 1702, p. 38.

"lic, which remain yet unaccounted for⁸." And it is asserted, by an anonymous author, that, in the space of five years, the immense sum of 10,864,873*l.* 17*s.* 4*d.* had been actually misapplied or embezzled⁹. Such abuses a foreign Prince was more likely to overlook, and would be less anxious to punish, than a natural-born sovereign of the country.

There was also a want of public zeal and spirit, not only among those who were in power, but even in the nation at large, which was attended with the most unfortunate consequences. The landed interest endeavoured to throw off the burden of the State from their own shoulders; and procured an instruction to the committee of supply, that no money should be raised upon land, without the special leave of the house¹⁰. Even when a land-tax was established at the rate of four shillings in the pound, instead of three millions a year, which it ought to have produced, it only yielded two¹¹; and every plan that was proposed in Parliament, for the general benefit, was rendered abortive. A bill had passed the House of Commons, for raising a million upon the credit of the forfeited estates in Ireland; but it was dropped in the House of Lords; many of the leading members in that branch of the legislature, trusting that they should procure these estates for nothing, if they remained at the disposal of the crown. The Commons also came to a vote, "That the salaries, fees, and perquisites of all offices under the crown (leaving 500*l.* *per annum* to each respective officer), except the salaries of the judges, &c. and also all pensions granted by the crown (with some exceptions), should be applied towards carrying on a vigorous war against France." But such effectual measures were taken, by those who would have suffered by such a resolution, that a bill was not even suffered to be brought in¹².

Jan. 19,
1692.

The scarcity of specie, and the want of credit and circulation, which prevailed at that time, were circumstances which materially contributed to the pecuniary distresses of the nation, and to the decrease of its revenues. The money that was recoined during the war (including

⁸ Commons Journals.

⁹ Letter to a new member of the House of Commons, touching the embezzlements of the kingdom's treasure from the Revolution, p. 17. printed *anno* 1710.

¹⁰ History of our National Debts, p. 14.

¹¹ Davenant, vol. i. p. 53.

¹² History of our National Debts, p. 20.

312,000*l.* worth of plate) amounted only to 8,136,000*l.*¹³ The whole specie in the country, could not be estimated at more than 16,000,000*l.*¹⁴, from five to six millions of which were probably hoarded. Every species of credit was at the lowest ebb; bank notes were at 20 *per cent.* and tallies at 40, 50, nay 60 *per cent.* discount¹⁵. In such a situation, with only ten millions of circulating specie, and no substitute in its aid, how was it possible for this country to spend five or six millions *per annum* in a foreign war, and to raise its supplies within the year! Sir James Stuart justly remarks, that attempting, in these circumstances, to levy a great revenue in England, was like putting a dumb man to the torture, in order to extort a confession¹⁶.

Whilst the public revenue was thus perpetually decreasing, the nation was obliged to defray heavier charges than it ever had been accustomed to before.

The expences of the Revolution itself were not inconsiderable. To the Dutch alone were voted 600,000*l.* for the armament they had fitted out, in order to bring about that event. The reduction of Ireland was attended with great charges: nor were the partizans of the dethroned Monarch driven from Scotland, without some bloodshed and expence. The money that was thus required to place William upon the throne of the three kingdoms, would have fully defrayed the charges of at least one, if not of two campaigns. Had James II. therefore been a monarch who could have been trusted, and who would have cordially assisted in the accomplishment of so great a work, the balance of Europe might have been restored, without greater pecuniary exertions than England could easily have afforded: but our strength was unfortunately at first employed, rather in settling our own government, than in humbling the power of France.

Another great and unforeseen expence to which the nation was put at that time, was in order to remedy the disorder into which the coin had fallen, and which was likely to be attended with the most fatal

¹³ Davenant, vol. i. p. 438.

¹⁴ Davenant, p. 441. says, that the specie before the war amounted to about 18,500,000*l.* but a good deal of it was exported in the course of the war. He also says, that upwards of 3,400,000*l.* of broad hammered money was hoarded in England, besides other kinds. See p. 264. 439.

¹⁵ Life of Halifax, p. 36.

¹⁶ Political Economy, vol. ii. p. 365.

consequences to the commerce, industry, and revenue of the country. This great operation was obliged to be undertaken, in the midst of an expensive and dangerous war, and was successfully carried through by Montagu, then chancellor of the exchequer, afterwards created Lord Halifax; but the disorder had proceeded to such a height, that the deficiency on the recoinage cost the nation the enormous sum of 2,415,140*l.* 16*s.* 10*d.*

Nor was reducing the power of France an easy achievement. Sir James Stuart is of opinion, that it was an enterprise far beyond the strength of England to carry through at that time, though assisted by the greatest part of Europe¹⁷. That it was not beyond the power of England, appeared sufficiently evident during the reign of Queen Anne, though Spain, instead of being a friend, was under the dominion of the enemy. It must be acknowledged, however, that the enterprise, when it was undertaken by William, was attended with the greatest difficulties. France was then at the very zenith of its power. Lewis had the good fortune to be surrounded with the ablest generals and statesmen of the age: his revenues were in good order, his troops were well paid, and his people were loyal and affectionate, consoling themselves for their domestic miseries, by the greatness of their sovereign, and the glory he had attained¹⁸. A single power, possessed of such resources, it is not a little difficult for any confederacy to subdue.

But England was obliged to make greater exertions than otherwise would have been necessary, in consequence of the languor and misconduct of those States with whom she had confederated. The Dutch, on the whole, were not deficient; but little assistance was received from Spain, notwithstanding the great riches that country was possessed of; and the Emperor, who was the person most interested in the war, was the least serviceable of the whole confederacy, and employed his arms, more in oppressing his own subjects in Hungary, than in maintaining the rights of his family, or defending the liberties of Europe¹⁹.

Whoever considers, therefore, the state of our revenue, the magnitude of our expences, and the various circumstances, both foreign and

¹⁷ Political Economy, vol. ii. p. 263.

¹⁸ Davenant, vol. i. p. 8.

¹⁹ Davenant, vol. i. p. 14.]

domestic,

domestic, above enumerated, must clearly perceive, that contracting a public debt, was a matter not of choice, but of necessity. Yet Bolingbroke, Swift, and after them other writers of the same party, have contended that it was done with a view of securing the additional support of wealthy individuals, to the government that was established². Nay, we are told, that the supplies might have been raised within the year, that a scheme to that effect was prepared and offered, and that it was allowed to be practicable; but that it was rejected, because the new government could not be so effectually secured, in any other way, as by making the private fortunes of great numbers of people depend upon the preservation of it. "Thus, (says Bolingbroke) the "method of funding, and the trade of stock-jobbing began; and great "companies were created, the pretended servants, though in many respects "the real masters, of every administration." But a policy of that nature, the consequences of which it was impossible to foresee, none but desperate ministers would have attempted; and when borrowing money was first tried, it never was imagined that the war would have lasted so long, or would have proved so expensive.

Others have insinuated, that the nation was involved in debts and difficulties, in order that our trade might be loaded with heavy taxes, and the Dutch the better enabled to rival us in commerce and manufactures³. But though the King was a Dutchman, and though his principal friends and favourites were of that nation, yet he seems ever to have maintained such a degree of impartiality between the two countries, as to exempt him from such suspicions: and with regard to his zeal for carrying on the war by land (which is commonly adduced in proof of his predilection for Holland), that was evidently owing to his greater attachment to military, than to naval operations.

Nay, some have supposed, that our glorious deliverer purposely ran the nation into debt, not thinking it an evil, or, perhaps believing, with some Dutch politicians, that it was for the interest of the public to be incumbered: "and this might be true (says Swift) in a com-

² See Bolingbroke's Works, edit. 1773, vol. iv. p. 129. Swift's History of the four last years of the Queen, p. 159. History of our National Debts, p. 17.

³ History of our National Debts, p. 17. 27. 35, 36.

“ mon-wealth, so crazily constituted as Holland, where the governors cannot have too many pledges of their subjects fidelity, and where a great majority must inevitably be undone by any revolution, however brought about; but, to prescribe the same rules to a monarchy, whose wealth arises from the rents and improvement of lands, as well as trade and manufactures, is the mark of a cramped and confined understanding²².” As William’s understanding was confessedly intitled to a different description, it is the less necessary to trouble the reader with any answer to so groundless an allegation.

Let us next see what were the modes of borrowing money adopted in the reign of William III.

At first, the practice, so usual in the time of Charles II. was adhered to, and the produce of the grants voted by parliament was anticipated, without establishing a fund, for the purpose of paying a certain annual interest to the holders of the mortgage²³.

Modes of borrowing.

But resource was soon had to temporary annuities: for, *anno* 1692, an attempt was made to borrow a million upon annuities for 99 years, for which 10 *per cent.* was to be given, until the 24th of June 1700; and 7 *per cent.* afterwards, with the benefit of survivorship, for the lives of the nominees of those who contributed²⁴. So low, however, was the credit of government at that time, that, even on these terms, only 881,493*l.* 12*s.* 2*d.* could be procured²⁵. *Anno* 1693, a million was raised upon short annuities; and every subscriber received 14 *per cent.* for sixteen years, with the additional benefits of a lottery²⁶. So advantageous an offer, it is hardly necessary to observe, was eagerly grasped at.

Temporary annuities.

Some money was also borrowed, during this reign, upon annuities for lives; and 14 *per cent.* was granted for one life, 12 *per cent.* for two lives, and 10 *per cent.* for three²⁷. Such terms were to the highest degree extravagant; particularly, as no attention was paid to difference of ages. The original amount of these annuities, *anno* 1694, was about 22,800*l.*; and yet, in 1762 (sixty-eight years afterwards), they were

Life annuities.

²² Hist. of the four last years of the Queen, p. 159.

²³ Hist. of our National Debts, p. 10.

²⁴ 4 Will. and Mary, cap. 3.

²⁵ See 4 and 5 Will. and Mary.

²⁶ 5 Will. and Mary, cap. 7.

²⁷ Hist. of our National Debts, p. 28.

reduced, by deaths, no lower than 9,215*l.*; and in 1782 only to 8,027*l.* Dr. Price observes, that borrowing at the rate of 12 *per cent.* for two lives, and 10 *per cent.* for three, is giving 10 *per cent.* for money in the one case, and 9 *per cent.* in the other²⁸.

Contingent annuities.

In this reign, the Bank of England, and the East India Company were established: they paid to government the sum of 3,200,000*l.*, for which they received an interest of 8 *per cent.*; and as the taxes imposed to defray that interest, were to remain until the principal, and all the arrears of their respective annuities, were discharged, and consequently were unlimited in their duration, this naturally paved the way for those perpetual annuities which afterwards took place.

Perpetual annuities.

The success with which the Bank of England was attended, had encouraged some individuals to form the project of a *land bank*, with a view, not only of raising a considerable sum for the uses of government, but also of lending money on landed securities at low interest; a part of the scheme being to give 500,000*l.* on mortgage at 3*l.* 10*s.* *per cent.* to be paid quarterly, or 4 *per cent.* payable half yearly; but the project did not succeed. The temptation, however, of mortgages at so easy a rate, induced the landed gentlemen to agree to the establishment of perpetual taxes, to defray the interest of the money intended to be raised²⁹. The statutes in the year 1695-6, furnish the first example in our history of this climax of financial invention.

Lotteries.

Lotteries began in this monarch's reign; and as all our evils were then attributed to Dutch counsels, the blame of Lotteries (those banes of industry, frugality, and virtue, as they were called) was ascribed to an imitation of the example of Holland³⁰, and a wish in the natives of that country, to ruin our morals, as well as cramp our trade.

Exchequer Bills.

Exchequer bills furnished another mode of raising money, first adopted in the year 1697, which Montagu, when chancellor of the exchequer,

²⁸ Price, on Civil Liberty and the Debts of the Kingdom, edit. 1778, p. 134. Note 15. But it is said that many of these annuities are wrongfully paid, owing to the frauds of the annuitants, and the carelessness of our public officers.

²⁹ 7 and 8 Will. III. cap. 31.

³⁰ Hist. of our National Debts, p. 27.

had

had the merit of inventing. Some substitute for money was particularly necessary at that time, on account of its scarcity during the recoinage. To render these bills more convenient, some were issued for only five, others at ten pounds³¹; a practice which, if now revived, might be attended with useful consequences.

It now only remains, to give an account of some destructive financial operations, adopted at this time.

It has already been observed, that several life annuities were granted at 14 *per cent.* In order to raise a small additional sum upon the same funds thus mortgaged, acts were passed, by which these annuitants, or any other persons for them, were offered a reversionary interest, after the failure of the lives, for ninety-six years, from January 1695, on paying four and a half years purchase (or 63*l.*), for every annuity of 14*l.*³². Afterwards, *anno* 1698, four years purchase (or 56*l.*), was only demanded for the conversion³³. The same system was afterwards adopted, in the reign of Queen Anne. Some of these long annuities were fortunately incorporated with the stock of the South Sea Company; but some still remain of these annuities to the amount of 131,203*l.* 7*s.* 8*d.* *per annum*, for which the sum of 1,836,275*l.* 17*s.* 10 $\frac{3}{4}$ *d.* had been originally contributed; and for the use of which, the public must pay above thirteen millions before they are all extinct³⁴.

The high rate of interest at which money was borrowed during William's reign, in consequence of the scarcity of specie, and the low state of public credit, was a fatal circumstance at the commencement of the funding system in this country. At first, attempts were made to raise money at only 6 *per cent.* interest³⁵; but it was found necessary, the very same session, to offer 7 *per cent.*³⁶; and, from the year 1690, during the remainder of the war, 8 *per cent.* was uniformly paid. *Anno* 1699, interest was reduced so low as 5 *per cent.* and continued at that rate until the value of money had again increased, owing to a new war becoming inevitable.

Rate of interest.

³¹ Life of Halifax, p. 43.

³² 6 and 7 Will. III. cap. 5. 7 Will. III. cap. 2.

³³ 9 and 10 Will. III. cap. 24.

³⁴ Price on Civil Liberty, p. 134.

³⁵ 1 Will. and Mary, sess. i. cap. 3.

³⁶ Ibid. cap. 13.

Premiums.

Davenant affirms, that the debt of the nation was swelled more by high premiums than even by the exorbitant interest that was paid³⁷; and that its credit was at so low an ebb, that five millions, given by parliament, produced for the service of the war, and to the uses of the public, but little more than two millions and a half³⁸; and it is certain that the public paid dearly for establishing its credit on such a footing, as to enable it to procure fresh loans. By an act passed *anno* 1697, when tallies were at a very great discount, a number of deficiencies, amounting to the sum of 5,160,459*l.* 14*s.* 9¼*d.*, were accumulated into what was called the first general fund or mortgage; and a variety of duties were consolidated together, in order to pay them off³⁹. If this step had not been taken, public credit must have been destroyed; and yet, as tallies were at so high a discount, the measure was attended with very great disadvantage. It is strongly asserted, that this evil was increased by the arts of those who were in power; that it was a usual practice to put off settling a fund for any particular debt due by the public, until the shares of those who were interested as creditors, sold at a very great loss. Those who were in the secret then bought them up, and the deficiency was immediately supplied⁴⁰. If those fraudulent practices could have been prevented by raising the supplies within the year, it is surely much to be regretted, that such a plan was not carried through, notwithstanding the many difficulties attending such an attempt, and the various obstacles, which must have been surmounted⁴¹.

It

³⁷ Vol. i. p. 156.

³⁸ Vol. i. p. 264. But this seems to be contradicted in p. 284, where he says, that four millions, within the year, would have gone as far as five millions upon distant funds; more than one-fifth of what was granted upon credit, being consumed in discount, high interest, and exorbitant premiums.

³⁹ By 8 and 9 Will. III. cap. 20.

⁴⁰ Hist. of our National Debts, p. 35. Hist. of the four last years of Queen Anne, p. 162.

⁴¹ Davenant (vol. i. p. 157.) says, that it would be greatly for the public benefit, by severe penalties, to prohibit gratuities upon any loan, more than is allowed by parliament. Such a plan, he observes, might bring difficulties at first, but in the end would augment public

It is not proposed to state minutely the loans of each year, or the money raised by mortgaging each different branch of the revenue: such circumstances, not being interesting enough to these times, to render a particular discussion necessary, it will be sufficient (it is hoped) to give a general view of the money borrowed, and repaid during this monarch's reign, and a state of the national debt at his decease. Those who wish to obtain more minute and accurate information, may consult the statute book, or the authors who have professedly written on the subject ⁴².

lic credit. Some regulation of that kind has become more necessary than ever, in consequence of the great discount upon our unfunded debts. The exorbitant profits attending the purchasing of which, are equally injurious to public and to private credit.

⁴² See James Postlethwayt's History of the Public Revenue, 1 vol. fol. printed *anno* 1759. History of our National Debts and Taxes, from the year 1688 to the year 1751, in four parts, the last printed *anno* 1753; and Cunningham's History of Taxes, third edition, *anno* 1778.

ABSTRACT

ABSTRACT of the Money borrowed and repaid, between the 5th November 1688, and Ladyday 1702.

| | Borrowed upon various funds. | Produce of those funds. | Borrowed upon certain funds more than repaid. | Produce more than borrowed, but applied to other services. |
|-----------------------------------|---------------------------------|----------------------------|--|---|
| From Nov. 5, 1688, to Mich'. 1691 | £. 7,882,079 | 4,755,407 | 3,126,672 | — |
| From Mich'. 1691, to ditto 1692 | 3,058,291 | 2,806,941 | 251,350 | — |
| to ditto 1693 | 4,300,427 | 3,378,228 | 922,199 | — |
| to ditto 1694 | 3,188,801 | 5,573,169 | — | 384,367 |
| to ditto 1695 | 4,521,826 | 3,844,492 | 1,677,334 | — |
| to ditto 1696 | 4,931,104 | 1,678,177 | 3,292,926 | — |
| to ditto 1697 | 6,647,453 | 2,569,256 | 4,078,196 | — |
| to ditto 1698 | 2,191,171 | 2,992,155 | — | 800,984 |
| to ditto 1699 | 1,878,400 | 2,526,009 | — | 647,608 |
| to ditto 1700 | 1,028,178 | 2,312,110 | — | 1,192,952 |
| to ditto 1701 | 2,064,937 | 2,250,506 | — | 185,569 |
| From Mich'. 1701, to Ladyday 1702 | 1,408,128 | 1,538,548 | — | 130,420 |
| Total borrowed | £. 44,100,795 | 34,034,518 | 13,348,677 | 3,341,900 |

From this account it might be inferred, that the funded debt of England, at the death of William III. did not much exceed ten millions; but, unfortunately, when any fund produced more than was originally imposed upon it, it was immediately re-mortgaged, or the income arising from it applied to the current services of the year.

It will next be proper to give a general view of the real state of our national incumbrances, at this monarch's death.

GENERAL

GENERAL VIEW of the NATIONAL DEBT on 31st December, 1701.

I. PERPETUAL FUNDED DEBTS, for the Interest of which alone Provision was made.

| | Principal. | Interest. |
|---|------------------|---------------------|
| 1. To the Bank of England, being their original stock, bearing an interest of 8 per cent. | £. 1,200,000 | 0 0 |
| 2. To the East India Company, being their original stock of 8 per cent. | 2,000,000 | 0 0 |
| 3. To the bankers debt, contracted in the time of Charles II. | 664,263 | 39,855 15 7 |
| | <u>3,864,263</u> | <u>295,855 15 7</u> |

II. TEMPORARY ANNUITIES and DEBTS, which would have been extinguished by the Operation of the Funds on which they were placed.

| | Principal. | Interest. |
|--|------------------|----------------------|
| 4. Annuities for 96 years, from 25th January, 1695 | £. 1,584,265 | 6 0 |
| 5. Ditto, for single lives, with survivorship | 108,100 | 0 0 |
| 6. Ditto, for two and three lives | 192,153 | 6 3 |
| 7. Short annuities for 16 years, from 29th Sept. 1694, consequently ending anno 1710 | 1,000,000 | 0 0 |
| 8. The first general fund or mortgage which it was purposed would be clear on 1st August 1706, producing above 800,000 <i>l.</i> per annum | 3,500,000 | 0 0 |
| 9. The second general fund, ending 1st August 1710 | 2,314,041 | 11 3 |
| 10. To sundry loans and deficiencies | 1,162,486 | 18 8 |
| | <u>9,861,047</u> | <u>2 2</u> |
| | | <u>853,122 18 8½</u> |

III. UNFUNDED DEBTS.

| | | |
|---|-----------|-------|
| 11. The army and transport debts | 1,123,258 | 7 9 |
| 12. The ordnance debt | 94,985 | 0 2½ |
| 13. The navy debt | 1,441,773 | 11 5½ |
| 14. Subsidies due to the elector of Hanover, and Duke of Zell | 9,375 | 0 0 |
| Interest on the unfunded debt, at 6 per cent. | | |

⁴³ Total

£. 16,394,702

161,763 10 5 2,669,391 19 5 161,963 10 5 1,310,942 4 8½

⁴³ Payment (vol. i. p. 237.) supposes, that the national debt, anno 1698, amounted to about 17,552,000*l.* Postlethwayte, in his statement of the debt on 31st Dec. 1701, forgets the interest on the bankers debt, and calculates none on the unfunded incumbrances due at that time.

QUEEN ANNE.

The situation of this country, at the accession of Queen Anne, even in the article of national incumbrances, was not greatly to be complained of. The perpetual debts which the public at that time owed, or those for which the interest only was provided, amounted but to 3,864,263*l*. The temporary annuities, and other funded debts, whose nominal capital was 9,861,047*l*. (with the exception of the Exchequer annuities), were likely soon to fall of themselves, or to be extinguished by the produce of the funds appropriated for their redemption; and as for the unfunded debts (amounting to 2,669,392*l*.) they would probably soon have been paid off by economy and good management; and England might have seen itself again free from such disagreeable burdens, if another war with France had not unfortunately broken out, before sufficient time had elapsed to heal the wounds which former hostilities had inflicted.

Causes of the increase of the public debts, during the reign of Queen Anne.

Two circumstances rendered such a war, if not necessary, at least in a great measure justifiable.

By the treaty of Ryfwick, William III. was acknowledged king of England; and James's interest having been abandoned by his ally, he had given up all hopes of being restored to the throne, and had devoted his time to the strictest austerities of religious enthusiasm. Whilst occupied in his usual acts of devotion, he was suddenly seized with a lethargy; and, after languishing for some days, expired on the 6th of September, 1701. Lewis was thrown off his guard by the suddenness of this event; and pity for a dethroned monarch, in so distressed and miserable a situation, led him to promise, that he should not only prove the protector of his family, but should also proclaim his son the only legal sovereign of Great Britain and Ireland, after his decease⁴⁴. This was an evident infraction of the treaty of Ryfwick. William therefore had recalled his ambassador at the court of France, and was making every precaution to carry on a war, when his death prevented it. His successor, however, upon her accession, was equally bound to

⁴⁴ Macpherson's History of Great Britain, vol. ii. p. 214.

maintain her own title to the crown, by prosecuting the same measures.

But this matter might easily have been accommodated, and the crown of England, to make use of the words contained in an Address from the Commons, "would have received reparation for the great indignity offered by the French king to his majesty and the nation, in owning and acknowledging the pretended Prince of Wales king of England, Scotland, and Ireland," without much bloodshed or expence, if it had not been thought necessary, for the interest of these kingdoms, and the security of Europe in general, to engage in a war, in consequence of another event which took place about the same time.

When Lewis XIV. espoused the Infanta, he had renounced for himself and his posterity, in the fullest and amplest manner, all right and pretensions of succeeding to the throne of Spain; and, after the peace of Ryfwick, he had entered into different treaties of partition, by which the Spanish monarchy was to be shared among the different claimants, and had agreed to accept of certain territories belonging to that crown, in lieu of all his rights. The king of Spain (Charles II.) enraged at the proposed dismemberment, and resenting that foreign powers should interfere in the domestic concerns of his kingdom during his own life, had nominated Philip duke of Anjou, second son of the dauphin of France, his heir; and when Charles died, Lewis without much hesitation abandoned the treaties of partition, and accepted of a will, which put his grandson in the peaceable possession of the whole dominions of Spain, both in Europe and America. 1 Nov. 1700.

Such an accession of power and strength to the House of Bourbon, and so open an infraction of such solemn engagements, filled the greater part of Europe either with indignation or dismay; and an alliance was soon after formed, between the Emperor, Great Britain, and Holland, the object of which was to secure a barrier to the Dutch; to obtain satisfaction to the Emperor for his pretensions to the Spanish succession; and sufficient security to Great Britain and Holland, for their dominions, and for the commerce and navigation of their sub-

⁴⁵ Comm. Journ. vol. xiii. p. 648. 3d Jan. 1701.

jects⁴⁶. The treaty was concluded prior to William's decease; but his successor persevered in the plans he had entered into, as essential for the safety and prosperity of his kingdoms.

England, without doubt, was deeply interested in the original objects of the grand alliance; and they might have been attained at a very early period of the war, before much blood or treasure was expended. But these objects were considered as by far too narrow and confined, after the arms of the allies had triumphed, and the power of France was crushed by the victories of Marlborough and of Eugene. Nothing then was heard of but the necessity of dethroning Philip, who was at that time in full and quiet possession of the whole Spanish monarchy, and of setting up his rival in his room⁴⁷. A treaty for this purpose was entered into with Portugal: a formidable army was sent to Spain, the operations of which were at first successful; and addresses came from both houses of parliament, stating, "that no peace could be safe or honourable to her majesty or her allies, if Spain, and the Spanish West Indies, were suffered to continue in the power of the house of Bourbon." But when the forces of the allies were defeated in Spain, and Charles, whom they had set up, succeeded to the Imperial crown upon his brother's death, such a plan became no longer advisable; particularly as several of the allies declared that they would never consent that the same person should be king of Spain, and emperor of Germany.

The causes which had formerly operated under the government of William to swell the public debts, contributed also, in the reign of Anne, to their increase. The same fraudulent practices prevailed at home; and a greater degree of lukewarmness to the cause they were engaged in, and indeed neglect of the stipulations they had entered into, took place amongst our allies on the Continent.

The profuse manner in which public money is wasted, when great sums are borrowed upon the national faith, is perhaps the most unfortunate circumstance resulting from the funding system. Ever since the Revolution, it has in a greater or less degree prevailed. Some enquiry was made during this reign into these fraudulent practices. The Com-

⁴⁶ See the second grand alliance, *Collection of Treatises*, anno 1772, p. 42.

⁴⁷ Bolingbroke, vol. iv. p. 127.

mons thought it necessary to expel one of their members; resolutions were entered into, that might deter such practice for the future⁴⁸; and it was represented to her majesty, by the Commons, that there remained, at Christmas 1710, the sum of 35,302,107*l.* of public money unaccounted for. Though such charges were probably exaggerated, from the rage and malice of party, yet it cannot be doubted that there was too much truth in some of their allegations.

We are told, that the earl of Rochester, the queen's maternal uncle, had proposed in council, that England should only act as an auxiliary, and should leave the greater part of the burden upon the shoulders of those who were most interested in its success⁴⁹. But the intrigues and arts of the confederates, and the ambition of the duke of Marlborough, induced us to take, at first, an active, and, afterwards, the principal part in carrying on the war: and whilst the Dutch were employing what forces they kept in pay, in securing a barrier for themselves, and the emperor was endeavouring to conquer the Spanish territories in Italy, the forces of England were sent to Flanders, to Germany, or to Spain, as suited best the views of the allies⁵⁰. The Dutch also, no longer animated by their gallant Stadtholder, lost many opportunities, by their timidity, of bringing the war to a successful conclusion; and threw away the favourable moment for making an advantageous peace, by indulging, in too great a degree, the natural insolence of conquest⁵¹.

⁴⁸ Hist. of our Nat. Debts, p. 129.

⁴⁹ Macpherson's Hist. vol. ii. p. 234.

⁵⁰ We so entirely neglected the advantages we might have reaped in America, that the French did us more mischief in that part of the world than we did them. Hist. of our National Debts, part ii. p. 5.

⁵¹ It is said that the duke of Marlborough, after the victory at Ramillies, and the reduction of Ostend and Newport, had formed a plan, *anno* 1706, for passing by Dunkirk, and for laying siege to Calais (of which he expected to be master in a week's time), and then of marching coastways by Dieppe and Rouen to Paris, in which attempt he might easily have been supported, and his army recruited from England. But the timidity of the Dutch (who were afraid that the French army, in the mean time, would have penetrated into the ircountry), prevented his attempting a plan, which would have brought the war to a speedy conclusion; and as their insolence hindered the advantageous peace proposed by France at Gertruydenburg from taking place, we had every reason to complain of their conduct, both as to making peace, and carrying on the war.—See Hist. of our Nat. Debts, part ii. p. 67. 131.

They displayed also too much of the spirit of a mercantile people. They wished to keep up their connexions with France, notwithstanding their war with that country; and the commons were obliged to address the queen, that her majesty would *insist* with the States-general, that the stop put to all correspondence, trade and commerce with France or Spain, should be continued. Addresses also were sent to her majesty, that the emperor should no longer oppress his protestant subjects in Hungary; and that the allies should be desired to furnish their complete quotas, both by sea and land, according to their respective treaties⁵².

Such are the causes which are in general assigned for the increase of our public debts, during the reign of Anne. Let us next consider the principles adopted by her ministers, in regard to borrowing money, and the amount of the national debt at her death.

Mode of
borrowing.

The old practice of raising money, by anticipating the produce of the taxes on land and malt, was persevered in; and indeed has become a permanent part in the system of our finances.

Long annu-
ities.

The destructive mode of selling long annuities was also revived, and only 210*l.* were demanded for an annuity of 14*l. per annum*, for 99 years, being at the rate of fifteen years purchase⁵³. What renders such a mode of borrowing money peculiarly disadvantageous to the public, is, that such annuities are always irredeemable; nor can the creditor be compelled to dispose of them, but at his own price, however able the nation may be to pay them off, or however anxious to get free of such incumbrances.

Life annui-
ties.

Annuities for lives were also granted during this reign. The terms were more favourable to the public than formerly; one life selling at nine years purchase; two lives at eleven years, and three lives at twelve years purchase⁵⁴: yet, on the whole, it furnishes another example of the impossibility of making any advantageous bargain of that kind, particularly in time of war; and the difficulty attending the redemption of such securities, with the consent of the creditor, renders them peculiarly injurious.

⁵² Comm. Journ. vol. xiv. p. 240. Hist. of our Nat. Debts, part ii. p. 45. 59.

⁵³ 1 Anne, Sess. 2. cap. 3. Hist. of our Nat. Debts, part ii. p. 38.

⁵⁴ Hist. of our Nat. Debts, p. 47.

During

During the greater part of the war, the security granted to the creditor for the money that was borrowed, was continuing taxes which had been imposed in the reign of William, and borrowing upon funds thus previously established, and which otherwise would have expired. The people were thus deceived into an opinion, that with hardly any additional burden upon themselves, they were holding the balance of Europe, and acquiring immortal glory and reputation⁵⁵. But this procrastinating system proved in the end fatal: a variety of unprovided debts, tallies, and deficiencies came into the market⁵⁶; were sold at above 40 *per cent.* discount, and had almost ruined the credit of the country, from the immensity of the load. These debts were at last accumulated into one fund, and with the addition 500,000 *l.* raised for the current service of that year, amounted to 9,471,325 *l.* the interest, of which, at 6 *per cent.* came to 568,279 *l.* 10 *s.* *per annum*⁵⁷. The proprietors of this stock, having, in addition to that interest a monopoly granted to them of the trade proposed to be carried on in the South Seas, thence obtained the name of the South Sea Company.

South Sea
Company.

Anno 1710.

In this reign also, the Bank of England was permitted to increase its capital, and received a prolongation of its charter, in consideration of 400,000 *l.* which it advanced to government without interest⁵⁸. It stipulated, however, for the repayment of the principal sum, though that sum was properly a compensation to the public for the privileges it had bestowed. This, Dr. Price properly remarks, was a wanton and unnecessary addition to the capital of our debt⁵⁹. Nor was this all: for the same act contains the most improvident bargain, on the part of the public, and the most usurious one, on the part of the lender, that can be produced in the history of our revenue. The funds for discharging the interest of certain exchequer bills, which the Bank had agreed to circulate, had been previously mortgaged for the space of four or five years; and instead of imposing a new tax to defray the interest in the interim (lest new burdens should irritate the people), it was enacted, that both the interest and the premium for circulating such

Bank of
England.

bills,

⁵⁵ Swift's Hist. of the four last years of the Queen, p. 164.

⁵⁶ Ibid. p. 170.

⁵⁷ 9 Anne, cap. 21.

⁵⁸ 7 Anne, cap. 5.

⁵⁹ Tracts on Civil Liberty, p. 125.

bills, should be paid *quarterly*, in fresh exchequer bills, until the fund was cleared⁶². When such measures were countenanced by the legislature, when compound interest was thus paid quarterly, is it to be wondered at, that our public debts should have so rapidly accumulated?

East India
Company.

Nor was the bargain made with the East-India Company much more advantageous. They advanced, it is true, 1,200,000*l.* to the public, for which they were to receive no interest⁶¹. But the nation became bound to repay the principal at the expiration of their charter; and thus, as Dr. Price well observes, another unnecessary addition was made to the capital of its debt.

Perpetual
Annuities

The nature of the funding system began, during this reign, to be better understood⁶². The advantages also of public credit, and the necessity of giving undoubted security to the creditor, were more generally acknowledged. *Perpetual annuities* became no longer an object of terror; the new taxes imposed for the security of the Bank, and the whole fund of the South-Sea Company being granted *for ever*. The public debts, however, either from the timidity of the ministers (who were afraid of irritating the people by fresh burdens, and consequently did not provide sufficient funds in proper time), or perhaps from the want of specie and resources in the country, swelled to a height, which, in the apprehensions of many, prognosticated a speedy bankruptcy, or national ruin.

Rate of In-
terest.

At first, money was borrowed, during this reign, at 5 *per cent.* It afterwards rose to 6, but, in fact, was much higher: for the South-Sea company received that interest for tallies, which were incorporated into its stock, at par, though they had sold in the market, a little time before, at 40 *per cent.* discount.

Premiums.

During the latter part of this reign money was principally borrowed by the mode of lotteries; and consequently the profit of the subscribers greatly depended upon the spirit of gambling at the time. In general, however, they were framed on very disadvantageous principles to the

Anno 1711.

public; and the last, in particular, though it took place in the midst of

⁶¹ Polit. Econ. vol. ii. p. 383. Hist. of our Nat. Debts, p. ii. p. 104. ⁶² 6 Anne, cap. 17.

⁶² Harley, afterwards created Lord Oxford, from two papers he wrote upon Loans and Public Credit, seems to have understood the subject. They may be seen in Somers's Collect. of Tracts, vol. ii.

the most profound tranquillity, has been often justly reprobated. For, of 1,876,400*l.* raised at that time⁶³, only 1,400,000*l.* was reserved for the public service; the remaining 476,000*l.* being distributed among the proprietors of the fortunate tickets. This was a premium of about 34 *per cent.* upon the sum actually received⁶⁴. Such modes of raising money (as Hutchinson well observes), though ruinous to the nation, was highly beneficial to private individuals, who, in a short time, increased so much in wealth, as to out-top all the ancient gentry, and to vie with the first nobility in the kingdom⁶⁵.

Let us next see the amount of our national incumbrances at this Queen's death.

GENERAL VIEW of the NATIONAL DEBT, on 31st Dec. 1714.

I. PERPETUAL FUNDS.

| | <i>Principal.</i> | <i>Interest.</i> |
|---|-------------------|------------------|
| 1. To the capital of the Bank of England, at 6 <i>per cent.</i> | £ 1,600,000 0 0 | 96,000 2 0 |
| 2. 'To D', for cancelling exchequer bills at D | 1,775,027 17 10 | 106,512 13 5 |
| 3. 'To sundry exchequer bills circulated by the bank | 4,676,812 10 0 | 335,557 8 5 |
| Total to the bank | £ 8,051,840 7 10 | 538,070 1 10 |
| 4. To the East India Company at 5 <i>per cent.</i> | 3,200,000 0 0 | 160,000 0 0 |
| 5. To the South Sea Company at 6 <i>per cent.</i> | 9,177,967 15 4 | 550,678 1 3 |
| 6. To the bankers debt, contracted in the reign of Charles II. | 664,263 0 0 | 39,855 15 7 |
| | £ 21,094,071 3 2 | 1,288,603 18 8 |

2. TEMPORARY ANNUITIES.

| | | |
|---|-------------------|---------------|
| 7. By various lottery funds, granted for thirty-two years | 13,223,910 0 0 | 990,249 12 0 |
| 8. By various other temporary annuities | 12,793,132 13 4 | 871,134 12 10 |
| | £ 47,111,113 16 6 | 3,149,988 3 6 |

3. UNFUNDED DEBTS.

| | | |
|--|-------------------|---------------|
| 9. To the navy and victualling debt, with interest at 4 <i>per cent.</i> | 795,901 19 8 | 31,836 1 7 |
| 10. To army debentures by 3 Geo. I. cap. 7. charged upon the general fund | 1,604,572 15 2 | 64,182 18 2 |
| 11. To the army debt, including the sums paid off by grants, <i>anno</i> 1714 and 1715 | 550,000 0 0 | 22,000 0 0 |
| 12. Deficiencies on the old funds, made good by parliament, after the Queen's death | 2,083,775 0 0 | 83,351 0 0 |
| | £ 52,145,363 11 4 | |
| 13. Supposed addition to the capital upon converting the temporary into redeemable annuities | 2,000,000 0 0 | |
| | £ 54,145,363 11 4 | 3,351,358 3 3 |

⁶³ By 12 Anne, sess. 2. cap. 9.

⁶⁴ Hist. of our National Debts, part iii. p. 161.

⁶⁵ Treatises of the National Debt, p. 61.

This is as accurate a statement, as it is now possible to furnish, of our public debts at the accession of the present royal family. It is extracted from various accounts, drawn up by different authors, who do not entirely agree with each other as to the amount of the debt⁶⁶; a circumstance, however, the less material, as minuteness of accuracy, in such remote transactions, is hardly to be expected, and is far from being essential. In regard to the value and real burden of these national incumbrances, Hutchinson supposes, that the funded debts alone, in April 1717, at the market price of the day, were worth 50,106,611*l.* But the total of the national debt, funded and unfunded, in December 1717, he calculates at 54,026,865*l.*⁶⁷: and indeed, 54,145,363*l.* of principal, bearing an interest of about 3,351,358*l.* seems to have been pretty nearly the state of our debts at the death of Queen Anne: consequently they received, during her reign, an addition of about 37,750,661*l.* 8*s.*⁶⁸

In all the computations drawn up of the value of the national debt, at that time, there is no circumstance with which the reader will be more struck, than with the addition which is always made to the capital,

⁶⁶ See the account of the public debts at the exchequer, March 14, 1716, Commons Journals, vol. xviii. p. 498. From the death of the queen till that period, there was little difference in the amount, excepting, that by 1 George I. cap. 21. 822,032*l.* 4*s.* 8*d.* was added to the stock of the South Sea Company, which made it up complete ten millions; and by the same act, in conjunction with cap. 19. of the same session, 1,079,000*l.* was added to the redeemable annuities, bearing an interest of 5 *per cent.*

Postlethwayt's History of the Public Revenue, p. 106. The history of our National Debts, Part iv. p. 15. The collection of treatises, relative to National Debts, by Archibald Hutchinson, Esq; p. 8.; and the abstract of our public funds, by Mr. Aisgill, printed anno 1715, may also be consulted.

⁶⁷ See Treatises on the National Debt, p. 12. He afterwards adds 8,582,500*l.* to the above sum, on account of the increased value of the temporary annuities. Postlethwayt, in his History of the Public Revenue; p. 152, computes the national debt, on the 25th December 1716, at 54,542,545*l.* 11*s.* 1*d.* consequently, about 54,000,000*l.* seems to be the general idea entertained of the amount of the debt at that time.

⁶⁸ Postlethwayt, in his History of our Revenue, computes the difference in regard to the amount of our debts, between the 31st December 1701, and 31st December 1712, at only 35,488,293*l.* 7*s.* See p. 107. But it appears from p. 152, that there was a difference between the 31st December 1712, and 25th December 1716, of 2,670,231*l.* 1*s.* the greater part of which falls to be added

upon the supposition that the temporary annuities were to be bought up. Though many of them commenced in the reign of William, and, consequently, from fifteen to twenty years had elapsed since they were originally granted; yet it was computed, that it would require 4,415,189*l.* 2*s.* 1*d.*, more than the nation had originally received, to re-purchase them at the prices for which they sold in December 1717⁶⁹: and such of these temporary annuities as were subscribed into the South Sea Stock, in consequence of two acts of parliament, passed *anno* 1719, and 1720⁷⁰, cost the nation an additional capital of 3,034,769*l.* 11*s.* 11*d.* though 1,836,275*l.* 17*s.* 10*d.* of Long Annuities, besides some life annuities, were not included. The holders of such of these annuities as were granted *anno* 1694, Hutchinson calculates, were not only repaid both their principal and interest at 6 *per cent.* in December 1717, but also had received about 30 *per cent.* more than they had originally paid⁷¹. The loss which the public has sustained by these annuities, since the period above-mentioned, it is impossible to think of with any degree of patience.

GEORGE I.

Whoever contemplates the history of this country under the government of those princes who were attached to Roman Catholic principles, or connected with the court of France; the various grievances which the people at home had so much reason to complain of, and the disgraces which the nation had suffered abroad, will not hesitate to acknowledge, that the accession of the House of Hanover to the throne, was the most fortunate event that could possibly have happened to Great Britain at that time; and nothing was wanting to have crowned our happiness as a nation, but such an attention in the servants of the crown to the public credit and finances of the country, as might have laid the foundation of our being once more free from a considerable share of those burdens to which we were then subjected. But such were the timidity, the carelessness,

⁶⁹ See Hutchinson's Treatises, p. 59.

⁷⁰ See 5 George I. cap. 19. and 6 George I. cap. 4.; and Postlethwayt's Hist. p. 104. 106.

⁷¹ Treatises of the National Debts, p. 60.

ness, or the misconduct of those who were in power, that, though the reign of George I. was, on the whole, a period of tranquillity, little disturbed by foreign wars, and those not of a very expensive nature, yet so favourable an opportunity was suffered to escape; and though the interest of our debts, in consequence of the decrease in the value of money, and of the bargain with the South Sea Company, was considerably diminished, yet the capital unfortunately underwent no material reduction.

It is proposed briefly to explain, from what causes this circumstance proceeded.

At the close of the reign of Queen Anne, the people of this country were divided into two great parties, one of whom was desirous of restoring the House of Stuart, the other, of maintaining the rights of the protestant succession. When George I., therefore, came to the throne, he was naturally led to trust the entire management of public affairs in the hands of those who had professed themselves his friends, and indeed had persevered in their attachment to his interest, even when such principles were not the immediate road to preferment. It is to be regretted that such a monopoly of power was judged necessary: for such a system promoted disaffection, and encouraged violence and party rage in those who considered themselves as proscribed. Whereas, had William's example been followed, and had an administration been composed out of both parties, it is probable that no man would have attempted to have disturbed the established government of his country⁷².

But such measures, though warmly recommended to his majesty at his accession to the throne, were considered to be either dangerous or impracticable; and a formidable party, finding themselves thus totally excluded from all hopes of authority and power, joined the warm partisans of the exiled family, and raised an insurrection, which, though soon quelled, involved the nation in considerable expences; injured the credit of the government, and justified their delaying to take the methods that were necessary for the re-establishment of our finances. The delay might also arise in part from an absurd notion propagated during this reign, that the reduction of the national debt might prove prejudicial to the family upon the throne, by diminishing the number

⁷² Hist. of our Nat. Debts, part iii. p. 2.

of those who were attached to it from interested motives, and whose fortune would be materially injured, should any revolution take place⁷³.

It was carefully propagated by the partizans of a particular party, about the middle of the reign of George II., that, since the accession of the present royal family, the interests of Great Britain had been constantly sacrificed to that of the electorate, and that this country had been ever since steered by the rudder of Hanover⁷⁴. It is certain, that our connexions with that country necessarily involved us, more than otherwise would have been necessary, in the affairs of the continent: and the first of the Brunswick family that sat upon the English throne, having acquired the possession of the dutchies of Bremen and Verden, and being anxious to secure an acquisition of such great importance to his hereditary dominions, we were thence led into a war with Sweden, to which Bremen and Verden properly belonged; but all pretensions to which she was compelled to renounce, in consequence of our exertions⁷⁵. Nor was this all; for as these dutchies composed a part of the German empire, it was necessary to procure the investiture of them; and this brought on a train of negociations with the emperor, and with other powers, which, whilst they did no credit to the abilities of our statesmen, proved highly prejudicial to our finances⁷⁶: for having guaranteed, by the quadruple alliance, the territories of the emperor in the Italy, we were thereby involved in a war with Spain, begun in July 1718, which, after having been signalized by a victory obtained on the coast of Sicily over the Spanish fleet, was terminated by a treaty of peace, signed June 13, 1721.

But the principal cause of our public debts remaining undiminished during this period, undoubtedly was—mismanagement in our domestic

⁷³ See Treatises on the Nat. Debt, p. 117. Hutchinson justly ridicules the idea, that a load of fifty millions of debt upon the nation was a security to the protestant succession.

⁷⁴ See *Faction Detected* by the evidence of Facts, 2d edition, p. 121. supposed to be written by the famous Pulteney, Earl of Bath.

⁷⁵ See the Treaty of Peace, dated Nov. 20, 1719. *Collection of Treaties*, vol. i. p. 345.

⁷⁶ Bolingbroke, vol. iv. p. 132. and *Faction Detected*, p. 26. in which it is remarked, that, *anno* 1731, in consequence of these negociations, we employed a squadron of British men of war to escort some Spanish troops into Italy, at the expence of 200,000 £.

HISTORY OF THE PUBLIC REVENUE

affairs. Little care was taken to raise such a revenue as the nation could afford; and what was raised, was expended in a greater peace establishment than Britain had ever been accustomed to support. Our unnecessary expences, during this monarch's reign, are calculated to have amounted to 13,730,000*l.*^v; a sum which, had it been properly applied to the redemption of the debt, would not only have diminished the principal to that amount, but would also have enabled us to have reduced the interest of the remainder, and would have raised a sinking fund, capable of producing the greatest effects, in alleviating our burdens.

It is not proposed to give any account at present of the financial operations, during this reign, as they more properly belong to the ensuing chapter, where it is intended to explain the different measures taken, for reducing either the capital, or the interest of our debt. We shall, therefore, give, without farther preliminary observations, a general view of the national incumbrances at this monarch's death.

GENERAL VIEW of the NATIONAL DEBT, on Dec. 31, 1727.

| 1. PERPETUAL FUNDS. | | | |
|--|--------------------|------------------|--|
| | <i>Principal.</i> | <i>Interest.</i> | |
| 1. To the capital of the Bank of England, at 6 per cent. — — — | £ 1,600,000 0 0 | 96,000 0 0 | |
| 2. To ditto, for cancelling Exchequer bills, reduced at Midsum. 1727, to 4 per cent. — — — | 1,775,027 17 10½ | 71,001 2 3½ | |
| 3. For cancelling Exchequer bills, reduced at Midsum. 1727, to 4 per cent. — — — | 2,000,000 0 0 | 80,000 0 0 | |
| 4. Purchased from the South Sea Company, reduced to 4 per cent. at Midsum. 1727 — — — | 4,000,000 0 0 | 160,000 0 0 | |
| Total to the Bank — — — | £ 9,375,027 17 10½ | 407,001 2 3½ | |
| 5. To the East India Company — — — | 3,200,000 0 0 | 160,000 0 0 | |
| 6. To the South Sea Company — — — | 33,802,203 5 6½ | 1,352,088 2 7½ | |
| | £46,377,231 3 5 | 1,919,089 4 10½ | |
| 2. TEMPORARY ANNUITIES. | | | |
| 7. To various long, short, and life annuities — — — | 2,433,942 4 4½ | 182,932 14 11 | |
| 8. To various Exchequer bills, &c. charged on different surpluses — — — | 1,543,780 15 4 | 46,038 6 4½ | |
| | £50,354,954 3 1½ | 2,148,060 6 1½ | |
| 3. UNFUNDED DEBT. | | | |
| 9. To sundry Navy and Victualling bills, at 4 per cent. — — — | 1,737,281 2 3½ | 69,491 4 10½ | |
| | £52,092,235 5 4½ | 2,217,551 11 0 | |

^v Hist. of our Nat. Debts, part iv. p. 14.

Thus

Thus it appears, that the capital of the national debt in the year 1714, and in the year 1727, were nearly the same; particularly if no addition is made to the principal, in the former period, on the supposition, that the temporary annuities ought to be valued at the price they would fetch in the market, and not at the sum that was originally paid⁷⁸. The reader, at the same time, will perceive how much the two periods differ in regard to the interest. In the reign of Queen Anne, the same capital of about fifty-two millions, was paid annually the sum of 3,351,358*l.*, which, at the death of George I., was reduced to 2,217,551*l.* The difference amounting to 1,133,807*l.* is a full proof of the flourishing credit which this country enjoyed, and of what might have been done at that time for retrieving our finances, by an able, decided, and public-spirited minister.

GEORGE II.

The reign of George II. may be divided into four periods. The first, from his accession to the beginning of the Spanish war, *anno* 1739; the second, terminates at the peace of Aix la Chapelle, *anno* 1748; the third, with the breaking out of the French war, *anno* 1755; and the last may be extended to the treaty of Paris, *anno* 1762. As it was during this reign that our debts began to put on the formidable appearance they now wear, it is the more necessary to trace their progress in each of these periods.

If any one æra, since the revolution, were to be pointed out in which our ministers were peculiarly culpable for neglecting to take solid and substantial measures to restore good order in our finances, it must be that of the commencement of this monarch's reign. The nation was then acknowledged, on all hands, to be in the most prosperous and flourishing condition: its glory and reputation were at the highest pitch, and it never was better able to vindicate the honour of the crown, and to de-

The first period.

⁷⁸ Pofflethwayt, in his History of the Revenue, p. 122, supposes, that about 2,670,231*l.* 1*s.* of principal was paid off on the 25th of March 1728. But he includes, in the National Debt, at the death of Queen Anne, the additional value of the temporary annuities.

send its just privileges and possessions⁷⁹; and yet little advantage was reaped from so splendid a situation. The minister at the time, (Sir Robert Walpole,) though supported by the whole influence of the crown, and by a formidable party in parliament, did not enjoy the general confidence of the people; and instead of adding to the public revenue, and diminishing the national incumbrances, he preserved his tottering authority, by reducing the land tax to one shilling in the pound, in order to ingratiate himself with the landed interest, and by alienating the produce of the sinking fund, from those purposes to which it had been originally destined, and applying it to the current services of the year. There is also too much reason to believe, that those resources which ought to have been employed in discharging the public incumbrances, were shamefully wasted in purchasing the votes of the venal, and in hiring mercenary writers, to defend the cause of the minister, and to rail against his opponents⁸⁰. The consequence was, that, during a period of profound peace, and which lasted for the space of twelve years, the reduction in the capital of our debt was very inconsiderable, in comparison of what it ought to have been, considering the many advantages which we enjoyed.

But, as the national debt, *anno* 1739, was lower than it has been at any time since the death of Queen Anne, it may not be improper to state the particulars of which it consisted.

⁷⁹ These are expressions contained in one of this monarch's first speeches from the throne, July 17, 1727. Comm. Journ. vol. xxi. p. 14.

⁸⁰ From 1707, to 1717, the money paid for secret services, amounted only to 337,960*l.* 4*s.* 3½*d.* But, from 1731, to 1741, being another period of ten years, no less a sum than 1,453,400*l.* 6*s.* was issued for the same purposes. See Commons Journals, vol. xxiv. p. 295.

GENERAL VIEW of the NATIONAL DEBT on December 31, 1739.

I. PERPETUAL FUNDS.

| | <i>Principal.</i> | | <i>Interest.</i> | |
|---|--------------------|--------------------|------------------|-------|
| 1. To the capital of the Bank of England, at 6 <i>per cent.</i> | — | — | 96,000 | 0 0 |
| 2. For cancelling Exchequer bills, at 4 <i>per cent.</i> | — | 500,000 0 0 | 20,000 | 0 0 |
| 3. Purchased of the South Sea Company, at 4 <i>per cent.</i> | — | 4,000,000 0 0 | 160,000 | 0 0 |
| 4. Annuities at 4 <i>per cent.</i> from Midsummer 1728 | — | 1,750,000 0 0 | 70,000 | 0 0 |
| 5. Annuities at 4 <i>per cent.</i> from ditto 1729 | — | 1,250,000 0 0 | 50,000 | 0 0 |
| Total to the Bank | | £. 9,100,000 0 0 | 396,000 | 0 0 |
| 6. To the East India Company, at 4 <i>per cent.</i> | — | 3,200,000 0 0 | 128,000 | 0 0 |
| 7. To the South Sea Company, at ditto | — | 27,302,203 5 6½ | 1,092,088 | 2 7½ |
| | | £. 39,602,203 5 6½ | 1,616,088 | 2 7½ |
| 8. To various long and short annuities, Exchequer bills, &c. | — | 6,527,735 2 4 | 314,949 | 19 8 |
| 9. The Navy and Victualling debt, at 4 <i>per cent.</i> | — | 824,684 15 6 | 32,987 | 7 9½ |
| Total | | £. 46,954,623 3 4½ | 1,964,025 | 10 1½ |
| | | <i>Principal.</i> | <i>Interest.</i> | |
| Debt on Dec. 31, 1727 | £. 52,092,235 5 4½ | 2,217,551 | 11 | 0½ |
| Ditto on Dec. 31, 1739 | 46,954,623 3 4½ | 1,964,025 | 10 | 1½ |
| Difference | £. 5,137,612 2 0 | 253,526 | 0 | 10½ |

If, instead of this inconsiderable reduction, the minister had proceeded to the great work of diminishing the debt with firmness and vigour, and, indeed, had he not alienated the sinking fund, and defeated Sir John Barnard's plan, for reducing the interest of the greater part of the redeemable annuities, from 4 to 3 *per cent.* (which might have been carried into effect *anno* 1737, as well as *anno* 1749) our finances would have been put in such a state, that no power in Europe would have ventured to incur our resentment; and we might have avoided a war, equally unnecessary and inglorious, which added above thirty millions to our national incumbrances.

An idea had become not a little prevalent, in foreign countries, during the latter part of Sir Robert Walpole's administration, that this country, notwithstanding all its power and riches, might be insulted with impunity;

The second period.

impunity; because the minister knew well that a war must prove fatal to his authority. The court of Spain embraced so favourable an opportunity of displaying that antipathy to Great Britain which it had long entertained, and the sources of which it is necessary briefly to explain.

By an express article in the second grand alliance, concluded *anno* 1701, it had been stipulated, that Great Britain and Holland should retain whatever cities and territories belonging to the Spanish dominions in the Indies should be conquered by their arms²¹. But, though such an opportunity of making valuable acquisitions to the crown of England, had never before, or, indeed, since existed, yet our exertions were almost entirely dedicated to European conquests; and, instead of Hispaniola and Cuba (possessions almost invaluable to a commercial nation), Gibraltar and Minorca were those about which we were occupied; and, as it was easily perceived that no plan of a treaty would succeed, unless this country was gratified with some important acquisitions, the King of Spain was thence compelled; by certain articles in the treaty of Utrecht, to surrender Gibraltar and Minorca, in full right and property, to the crown of Great Britain.

It is probable, however, from the conclusion of the article by which Gibraltar was ceded (in which it is declared, that if ever the property of that fortress was to be alienated, the preference shall be given to the crown of Spain), that there was some secret understanding between the parties at the time, with respect either to an exchange or a sale; and Philip King of Spain, in consequence of some such agreement, was perpetually importuning the British ministers, that Gibraltar might be restored. Nay, on the 1st of June 1721, George I. wrote a letter to that monarch, in which it is said, “I do no longer balance to assure your
“ majesty of my readiness to satisfy you with regard to your demand,
“ touching the *restitution* of Gibraltar; promising you to make use of
“ the first favourable opportunity to regulate this article with the consent
“ of my parliament²².”

²¹ See Art. 6.

²² See the original letter in French, and a translation of it, *Comm. Journ.* vol. xxi. p. 285.

Gibraltar, however, was a possession too dear to the English nation to be easily relinquished; and such advantage would have been taken of their attachment to it by those who were in opposition to government at the time, that no steps could be safely pursued for a restitution of that fortress. This naturally excited chagrin and resentment in the court of Madrid, which were perpetually breaking out when any favourable opportunity occurred of insulting us with impunity.

But the war more immediately arose from the treatment which our ships and mariners, and those of our colonies in particular, received on the American seas. The Spaniards, anxious to monopolize the whole trade of their colonies in America, treated, in the harshest and most cruel manner, such British vessels as ventured near their settlements, whether for the purposes of commerce, or when driven by necessity. These circumstances at last attracted the attention both of the crown and of parliament; and the examination of an old sailor at the bar of the house of commons, who was maimed by the cruelty of the Spaniards, roused the indignation of that assembly, and filled the whole nation with a spirit of resentment; in consequence of which, war was declared against Spain on the 19th of October 1739.

An event soon afterwards took place, which involved all Europe in confusion.

On the 9th of October 1740, Charles VI. Emperor of Germany (the last prince of the house of Austria), expired at Vienna. Little doubt was at first entertained that his eldest daughter (Maria Theresa, married to the grand Duke of Tuscany) would enjoy an undisturbed succession. But, though the principal powers of Europe had guaranteed her rights, disputes arose with regard to the possession of the greater part of her father's dominions; and the Elector of Bavaria was set up by France as a competitor for the imperial crown. In this extremity, her whole dependence rested on the support of Great Britain; by whose assistance she at last triumphantly surmounted all her difficulties. But to establish that princess, and to preserve the present imperial family, in opposition to the intrigues and the armaments of France, was attended with charges, the burden of which this country feels at this hour.

Great Britain has, in general, enjoyed this advantage, that the wars in which she has been engaged have not been carried on within the boundaries of the island. In the year 1745, however, we felt all the horrors of intestine war, in consequence of a bold and desperate attempt to raise a new rebellion in favour of the exiled family. The warlike spirit for which the northern parts of Scotland have been so long distinguished, instead of being employed to maintain the rights and to extend the fame and glory of the British empire, had been suffered to rust in sloth, and to brood over its causes of discontent. A brave and hardy race, thus neglected by their legal sovereign, considered themselves as a proscribed and devoted people; and, preserving their old attachments, flew to arms with alacrity and zeal, to support the only cause for which they were suffered to bleed; flattering themselves with the vain expectation of being able, by their valour, to replace the house of Stuart upon the throne. The insurrection, though at first successful, was at once quelled by the decisive victory at Culloden. Besides the great expences which this rebellion occasioned, and the injury which it did to the national credit, it was attended with another unfortunate circumstance. The troops employed for that purpose being drawn from the armies of the allies on the continent, this circumstance weakened our forces there to such a degree, as to disable us from reaping those advantages which otherwise we had every reason to expect.

This war with Spain and France, which had lasted nine years, was at last terminated by the treaty of Aix la Chapelle; and it is now proposed to give some account of the principles upon which money was borrowed to defray the extraordinary expences it occasioned, and also a general view of the amount of our public debt, when the war was brought to a conclusion.

Mode of
borrowing.

It was during this period that a practice which began in the reign of Queen Anne, of adding an artificial to the real capital, was first carried to any great height. The funds were now considered as a permanent species of property, which it was supposed the nation could never totally redeem; and it was, therefore, thought better to dispose of a certain quantity of a 3 or 4 *per cent.* stock; and thus to make a bargain at one determinate interest, than to establish new funds at different rates, in proportion

proportion to the fluctuation of the value of money, which during a long war, was perpetually increasing⁸³. The plan was at first less pernicious than it has since proved. The price of stocks, during this whole period, did not greatly differ from the capital. Indeed, until the rebellion of 1745, the 3 *per cents.* had never been below 89. But the same practice has since been pursued, when these funds sold at little above one half of their nominal value; and the State has acknowledged itself indebted in a hundred pounds, when, perhaps, it only received sixty. The ignorant might be thus deceived into an opinion, that we were borrowing at a lower interest than in fact was the case. We have dearly paid, however, for this imaginary advantage, by a great and solid addition to our national incumbrances. How much of our present debts ought to be attributed to this destructive mode of raising money, will be the subject of future enquiry.

It was also usual, at this time, when money was borrowed, to give Premiums. douceurs to the creditor in the shape of lottery tickets, or of life annuities; a mode adopted, not only with a view of concealing from the people the real burdens of the war, but also of enabling the money-lender to make the greater profit of his bargain with the public, by furnishing him with every species of security, and putting it in his power to please the palate of every different purchaser.

It has been an unfortunate circumstance for this country, that we have hardly ever concluded a bargain with any of those great companies East India Company. which were originally instituted with a view to facilitate the reduction of our debts, but at a time when the public was involved in difficulties, and consequently necessitated to accept of any terms they thought proper to propose. Thus, in order to procure a million from the East India Company, the exclusive charter which it had obtained, was continued from 1766 to 1780; and consequently prolonged for fourteen years, twenty-three years before the former term of the monopoly was to have ceased. For this million, they were to receive an interest of 3 *per cent.*; and, as 3 *per cents.* were then at 97, the whole value they gave for this grant did not exceed 30,000*l.*⁸⁴. The company, it is

⁸³ Polit. Econ. vol. ii. p. 393.

⁸⁴ Ibid. p. 392.

believed, would have paid in a million, and would have readily accepted of 750,000*l.* of capital, bearing what was then the usual interest of 4 *per cent.* But those who managed these contracts for the public (as Dr. Price well observes) did not attend to the absurdity and extravagance of loading posterity with a debt for money paid to enjoy the exclusive possession of certain valuable privileges, and of thus *borrowing*, in the very act of *selling*, a very important monopoly⁸⁵.

Bank.

During this period, also, the charter of the Bank was prolonged, until the 1st of August 1764, in consideration of which, they lent to government, *anno* 1742, the sum of 1,600,000*l.* without interest; the greater part of which would have been paid for the prolongation of its exclusive charter, had the former interest of 6 *per cent.* on their original stock been continued. Thus another wanton and unnecessary addition was made to the capital of our debts⁸⁶.

Let us next see the amount of our national debt, when the war was brought to a conclusion.

⁸⁵ Tracts on Civil Liberty, p. 132.

⁸⁶ Ibid. p. 125.

GENERAL

GENERAL VIEW of the NATIONAL DEBT, on 31st Dec. 1748.

I. FUNDED DEBTS.

| | <i>Principal.</i> | | <i>Interest.</i> | |
|---|-------------------|-------|------------------|------|
| 1. The capital of the Bank of England, at 3 per cent. — — — | £ 3,200,000 | 0 0 | 96,000 | 0 0 |
| 2. For cancelling Exchequer bills, at 4 per cent. — — — | 500,000 | 0 0 | 20,000 | 0 0 |
| 3. Purchased of the South Sea Company, at ditto — — — | 4,000,000 | 0 0 | 160,000 | 0 0 |
| 4. Annuities at 4 per cent. from Midsum. 1728 — — — | 1,750,000 | 0 0 | 70,000 | 0 0 |
| 5. Annuities at ditto, from ditto 1729 — — — | 1,250,000 | 0 0 | 50,000 | 0 0 |
| 6. For cancelling and circulating exchequer bills — — — | 1,486,400 | 0 0 | 54,450 | 0 0 |
| <hr/> | | | | |
| 7. To the East India Company, for its stock and annuities — — — | £ 12,186,400 | 0 0 | 450,450 | 0 0 |
| 8. To the South Sea Company, at 4 per cent. — — — | 4,200,000 | 0 0 | 158,000 | 0 0 |
| 9. To various long and short annuities, payable at the exchequer — — — | 27,302,203 | 5 6½ | 1,092,088 | 2 7½ |
| 10. To various redeemable annuities, at different rates of interest — — — | 2,042,723 | 6 1½ | 218,117 | 11 8 |
| 11. To various Bank annuities, at different interests — — — | 3,079,071 | 5 1½ | 104,561 | 7 9 |
| <hr/> | | | | |
| | 22,530,000 | 0 0 | 829,200 | 0 0 |
| <hr/> | | | | |
| | £ 71,340,397 | 16 9½ | 2,852,417 | 2 0½ |

2. UNFUNDED DEBTS.

| | | | | |
|---|--------------|-------|-----------|-------|
| 12. To navy, victualling, transport, and ordnance debts, at 3 per cent. — — — | 5,748,264 | 17 5½ | 172,447 | 18 1½ |
| 13. Debts and deficiencies provided for posterior, to Dec. 31, 1748, at 3 per cent. — — — | 1,204,650 | 7 8½ | 36,139 | 10 2½ |
| <hr/> | | | | |
| | £ 78,293,313 | 1 10½ | 3,061,004 | 11 1½ |

| | <i>Principal.</i> | | <i>Interest.</i> | |
|------------------------|-------------------|-------|------------------|-------|
| Debt on Dec. 31, 1739 | £ 46,954,623 | 3 4 | 1,964,025 | 10 1½ |
| Ditto on Dec. 31, 1748 | 78,293,313 | 1 10½ | 3,061,004 | 11 1½ |
| <hr/> | | | | |
| Increase | £ 31,338,689 | 18 6½ | 1,096,979 | 1 0½ |

Thus it appears, that the war occasioned an addition of 31,338,689*l.* 18*s.* 6½*d.* to the principal; and of 1,096,979*l.* 1*s.* 0½*d.* to the interest of our debts; to which are to be added the money taken from the sinking fund, and the additional taxes which were imposed, in order to carry on a war, which, after all, was productive of not one solid advantage, and was concluded by a peace, in every respect inglorious.

From

Third period. From the treaty of Aix la Chapelle, we enjoyed the blessings of peace for about seven years; a period distinguished by the boldest and most useful operation of finance recorded in the history of this country: for, by the judicious measures taken by that able and patriotic minister, Mr. Pelham, who at that time had the management of our revenue, aided by the counsels of that excellent citizen, Sir John Barnard, no less a sum than 57,703,475*l.* 6*s.* 4½*d.* was gradually reduced from an interest of 4 to 3 *per cent.* This is a subject, however, which more properly belongs to the ensuing chapter. At present, it is only necessary to remark, that our debt, *anno* 1755, amounted to 74,571,841*l.* 0*s.* 2½*d.*, bearing an interest of 2,416,717*l.* 0*s.* 4½*d.* Consequently, 3,721,472*l.* 1*s.* 8½*d.* of principal, was paid off, in addition to the great reduction of interest that took place at this time.

Fourth period.

The British colonies in North America, after long struggling with various difficulties, arising from the nature of the climate, the ruggedness of the soil, and the barbarity of their Indian neighbours, began about this time, in consequence of their own exertions, and aided by the support and encouragement which they received from the mother country, to enjoy a considerable degree of happiness and prosperity; and when nothing seemed likely to have disturbed the tranquillity of England for many years, she was alarmed with intelligence, that these colonies, which she had reared at such an expence, and protected at such heavy charges, were in a state of the utmost danger and distress, the French having, by their intrigues, united the various tribes of Indians against them; and having constructed forts, surrounding the frontiers of all the settlements, some of them within 225 miles of Philadelphia". These circumstances were first publicly taken notice of in his majesty's speech from the throne, on the 13th of November 1755; and the Commons, in their address, thanked the Crown, "for having, at the hazard of all events, taken measures for the defence of the British dominions in America, not only encroached upon, but openly attacked by the French, in a time of full peace, and farther threatened and endangered by a large embarkation of troops from Europe." And they also declared, "that they would vigorously and cheerfully support his majesty, in his resisting such unjustifiable encroachments".

²⁷ Mort. Hist. of England, vol. iii. p. 512.

²⁸ Comm. Journ. vol. xxvii. p. 301.

Attempts have recently been made to ascribe the origin of this war to other motives, in order to palliate the ingratitude of the new American States. Posterity will be able to judge with more impartiality than we can at present, how far their reasonings are well founded, but it will be difficult for it to be convinced, that the war did not arise from a passionate desire on the part of the English nation, to defend those whom they considered as their brethren, and who would either have been destroyed by the tomahawks of the Indians, or driven into the sea by the French, had it not been for our assistance. A war thus springing up, soon spread its destructive influence far and wide; and occasioned an expence to this country, much greater than it ever had before incurred; the fatal consequences of which were greatly encreased from the pernicious manner in which our debts were contracted.

The enormous charges with which this war was attended, put government so much in the power of the money lenders, that the most disadvantageous terms were agreed to, without hesitation. The first million that was borrowed, was obtained at an interest of only 3 *per cent.*; and as every addition to that interest, or augmentation of capital, for which no value was received, is to be accounted an additional premium or *douceur*, the loss which the public sustained in this manner will appear almost incredible.

Mode of
borrowing.

GENERAL VIEW of the PREMIUMS upon the NEW LOANS,
in the course of the War, begun *anno* 1755.

| | | | | |
|---|-----------------|------------|---|---|
| 1. On the loan 1756, an additional interest of 1-half <i>per cent.</i> | £ | 90,000 | 0 | 0 |
| 2. Ditto 1757, being a life annuity of 1 <i>per cent.</i> ⁹⁹ | — | 472,500 | 0 | 0 |
| 3. Ditto 1758, an additional interest of 1-half <i>per cent.</i> for 24 years | | 495,000 | 0 | 0 |
| 4. Ditto 1759. 990,000 <i>l.</i> of capital, bearing an interest of 3 <i>per cent.</i> which, in 9 years only, amounted to | — — — — | 1,257,300 | 0 | 0 |
| 5. Ditto 1760, by various <i>douceurs</i> | — — — — | 1,852,800 | 0 | 0 |
| 6. Ditto 1761, by ditto | — — — — | 4,296,375 | 0 | 0 |
| 7. Ditto 1762, by ditto | — — — — | 5,820,000 | 0 | 0 |
| | ⁹⁹ £ | 14,283,975 | 0 | 0 |

⁹⁹ Sir James Stuart remarks (*Polit. Econ.* vol. ii. p. 397), that Mr. Grenville has calculated these life annuities at too low a rate.

⁹⁹ See the *Present State of the Nation*, supposed to be written by the Right Honourable George Grenville, 3d edition, p. 11.

It is evident that some part of this sum cannot justly be placed to the account of those ministers by whom the money was borrowed; because the value of money necessarily increases with the demand for it in a time of war. But if loans had been made at a high interest, and with a low capital, the public would have been, perhaps, *twelve millions and a half* less incumbered than it was; and, at the same time, the annual charges in no respect greater¹; and some part of the debt might easily have been redeemed by parliament at the return of peace, or borrowed upon lower interest.

Let us next see the amount of our debts, funded and unfunded, at the conclusion of the peace, *anno* 1762.

GENERAL VIEW of the NATIONAL DEBT, at the conclusion of the War, begun *anno* 1755, and ending *anno* 1762.

| | Principal. | Interest. |
|---|-----------------------------|------------------|
| 1. To the national funded debt, on the 5th of January 1755 (See Commons Journals, vol. xxvii. p. 167), with the interest payable thereon, since the reduction, <i>anno</i> 1755 and 1757 | £ 73,289,673 | 2,378,252 |
| 2. To the Navy debt, Jan. 17, 1755 (ditto p. 108), at 3 per cent. | 1,282,167 | 38,465 |
| | £ 74,571,840 | 2,416,717 |
| 3. To the debt funded during the war, including the value of the long annuities, granted <i>anno</i> 1761 and 1762 | £ 58,129,375 | 2,036,300 |
| 4. To unprovided debts, funded prior to 1764 | 6,983,553 | 279,342 |
| 5. Unfunded debt, remaining <i>anno</i> 1763, deducting the navy debt of 1755 | 6,998,076 | 108,462 |
| | <u>72,111,004</u> | <u>2,424,104</u> |
| | ⁹² £ 146,682,844 | 4,840,821 |

⁹¹ Traſts on Civil Liberty, p. 108.

⁹² Mr. Grenville, in his State of the Nation (p. 28), ſuppoſes, that the debt, funded and unfunded, at the conclusion of the peace of Paris, amounted to 148,377,618 *l.*, bearing an interest of 4,993,144 *l.* per annum. But the above is the sum at which it is stated by the learned Dr. Price, who has more recently examined the subject (See the Account of the Progress of the National Debt, Traſts on Civil Liberty, p. 147). The difference seems to have arisen from the former including the deficiencies of grants and funds *anno* 1763 and 1764, and the whole of the extraordinary of the army, which the latter does not take into its computations.

Thus

Thus, for the sake of protecting from the power of France those very colonies who have lately thought proper to throw themselves into the arms of that country, we were led into a train of measures which almost doubled the incumbrances of the nation, and required an addition of above two millions and a half to pay merely the annual interest of the debt incurred; and when a peace was concluded, and Guardeloupe and Canada came to be put in competition (however preferable the former in every commercial view), the interests of Great Britain were not suffered for a moment to stand in competition with providing for their security. These are circumstances which, it is to be hoped, in their cooler moments, when they are satiated with the imaginary blessings of independence, and of the friendship of their new allies, they will recollect, with the natural sensations of generous minds awakened from prejudice and passion, and alive to the genuine dictates of gratitude and of honour.

G E O R G E III.

At the conclusion of the war, in 1762, the situation of this country was, to all appearance, splendid and flourishing. It was incumbered, it is true, with a heavy debt, but in no degree beyond what it could bear; and we might have enjoyed as high a pitch of prosperity and happiness as any nation could have desired, if a fatal spirit of anarchy and of intestine discord, if a lust of power among the great, and an impatience of subordination among the people, had not arisen, which, after raging for some time at home, at last broke out, with redoubled violence, in our American colonies, and produced a contest equally pernicious to both countries. Even before the dispute with America had broke out into hostilities, our dissensions had been attended with the most destructive consequences to the nation. They occasioned, in the management of our affairs, an inattention to every thing but parliamentary influence, a prodigality in our public expenditure, and a system of adopting temporary expedients, instead of pursuing some great, uniform, and decisive line of conduct. The same unhappy divisions made us neglect to cultivate the friendship, or to conciliate the affections of those powers with whom we were naturally connected: whilst, on the other hand, we seemed afraid to offend our enemies, unmindful of that sound politi-

HISTORY OF THE PUBLIC REVENUE

cal maxim, "when discord rages at home, to give it an opportunity of spending its violence against other states." Indeed, if the rupture with Spain, for the possession of Falkland islands, had not been unfortunately prevented, those resources which Great Britain and her colonies wasted in destroying each other, might have been employed in curbing the power, and in conquering the territories of their mutual enemies. It will appear also, from the following state of the national debt at Midsummer 1775, that the continuance of peace was not attended with those great effects, in reducing our incumbrances, which might have been expected.

GENERAL VIEW of the NATIONAL DEBT at Midsummer 1775.

1. PERPETUAL FUNDS.

| | | <i>Principal.</i> | <i>Interest.</i> |
|---|---|----------------------|------------------|
| 1. To the capital due to the Bank of England | — | £ 11,686,800 | 350,604 |
| 2. To the East India Company | — | 4,200,000 | 126,000 |
| 3. To the South Sea Company | — | 25,984,674 | 779,541 |
| | | <u>£ 41,871,474</u> | <u>1,256,145</u> |
| 4. Perpetual Bank annuities, at 4 per cent. which in January 1781 fell to 3 per cent. | — | 18,986,300 | 759,452 |
| 5. Ditto, at 3 and a half per cent. which fell to 3 per cent. anno 1782 | — | 4,500,000 | 157,500 |
| 6. The 3 per cent. consolidated annuities | — | 38,251,696 | 1,147,551 |
| 7. The 3 per cent. reduced annuities | — | 18,353,774 | 550,613 |
| 8. The 3 per cents 1726 | — | 1,000,000 | 30,000 |
| | | <u>£ 122,963,244</u> | <u>3,901,261</u> |

2. TEMPORARY ANNUITIES.

| | | | |
|---|---|----------------------|------------------|
| 9. Bank long annuities, for 99 years, from 1761 | — | 6,702,750 | 248,250 |
| 10. Exchequer long annuities | — | 1,836,276 | 131,203 |
| 11. Various life annuities | — | 840,781 | 88,107 |
| | | <u>£ 132,343,051</u> | <u>4,368,821</u> |

3. UNFUNDED DEBT.

| | | | |
|--|--|-----------|--------|
| 12. Exchequer bills, 1,250,000 <i>l.</i> , Navy debt, 1,850,000 <i>l.</i> , Civil List debt, 500,000 <i>l.</i> , the interest only 2 per cent. | | 3,600,000 | 72,000 |
|--|--|-----------|--------|

Total Debt at Midsummer 1775 £ 135,943,051 4,440,821

| | <i>Principal.</i> | <i>Interest.</i> |
|------------------|--------------------|------------------|
| Debt, anno 1762 | £ 146,682,844 | 4,840,821 |
| Ditto, anno 1775 | <u>135,943,051</u> | <u>4,440,821</u> |

⁵² Diminished, during the Peace £ 10,739,793 400,000

⁵³ Tracts on Civil Liberty, p. 119. Of this boasted diminution, one half did not arise from the surplus of the revenue.

Thus it appears, that little more than ten millions of our debt were paid off during the peace: a small sum, compared to what might have been discharged with ease, had the resources of this country been fully exerted; and, indeed, if only one half of those taxes to which the nation has lately been made subject, had been imposed *anno* 1763, when tranquillity was fully restored, our finances would have been brought into such order, before the year 1775, that no state in Europe, nor any colonial confederacy in America, would have ventured to have incurred our resentment. But a nation that will not look its dangers and its burdens in the face, and pursue great and decisive measures for its liberation, when in its power, must ever expect to feel the bitter consequences of indolence and timidity.

The sources of the war with our colonies, and the events with which it has been accompanied, are circumstances too recent, and too well known, to require being enumerated in this work; and as neither the relation, nor the perusal of them, can furnish any friend to the happiness and prosperity of this country with any pleasing sensations, it is therefore hoped, that the following statement of the debt which we have incurred, in consequence of our late hostilities, will be deemed sufficient.

GENERAL VIEW of the DEBT incurred to defray the Expenses of the American War.

HISTORY OF THE PUBLIC REVENUE

| Year. | Stock given. | Money received. | Annual Interest. | Nature of the Stock. | Additional Capital. | Premium per 100 <i>l</i> . |
|--|--------------|-----------------|------------------|---|---------------------|---|
| 1776 | £ 2,150,000 | £ 2,000,000 | £ 64,500 | 3 per cents | £ 150,000 | 10 <i>lb</i> . short annuities. |
| 1777 | 5,000,000 | 5,000,000 | 225,000 | 4 per cents | — | 2½ per cent. for 30 years. |
| 1778 | 6,000,000 | 6,000,000 | 330,000 | 3 per cents | — | 3½ per cent. for 29 years, or for life. |
| 1779 | 7,000,000 | 7,000,000 | 472,500 | 3 per cents | — | 1 <i>l</i> . 16 s. 3 d. for 80 years. |
| 1780 | 12,000,000 | 12,000,000 | 697,500 | 4 per cents | — | — |
| 1781 | 21,000,000 | 12,000,000 | 660,000 | 18,000,000 3 per cents 3,000,000 4 per cents | 9,000,000 | — |
| 1782 | 20,250,000 | 13,500,000 | 793,125 | 13,500,000 3 per cents 6,750,000 4 per cents | 6,750,000 | 17 s. 6 d. for 78 years. |
| 1783 | 15,000,000 | 12,000,000 | 560,000 | 12,000,000 3 per cents 3,000,000 4 per cents | 3,000,000 | 13 s. 4 d. for 77 years. |
| 1784 | 9,000,000 | 6,000,000 | 316,500 | 6,000,000 3 per cents 3,000,000 4 per cents | 3,000,000 | 5 s. 6 d. for 75½ years. |
| Navy bills funded, anno 1784, at 5 per cent. 107 <i>l</i> . 10 s. 6 d. in stock per 100 <i>l</i> . | | £ 97,400,000 | £ 4,119,125 | — | £ 21,900,000 | — |
| Unfunded debt, now remaining (deducting the unfunded debt anno 1775), at 4 per cent. supplied.* | | 6,879,341 | 6,449,383 | 5 per cents | 429,958 | — |
| Debt contracted during the war } | | 6,000,000 | 240,000 | — | — | — |
| Debt contracted during the war } | | £ 110,279,341 | 87,949,383 | — | 22,329,958 | — |
| Debt, anno 1775 | | — | — | £ 135,943,051 | 4440,821 | — |
| Ditto, incurred during the last war | | — | — | 110,279,341 | 4703,092 | — |
| Total of the present national debt | | — | — | £ 246,222,392 | 9,143,913 | — |

* It is hoped that the unfunded debt (deducting 3,600,000*l*. due at the commencement of the war) will not be quite so considerable. But in such calculations, it is better to be a million over than under.

Such is the *nominal* amount of the existing incumbrances of the nation, the real nature and burden of which will be the subject of future discussion. At present, it is only proposed to give a short view of the progress of the public debts from their commencement to the present time.

| | | | <i>Principal.</i> | <i>Interest.</i> |
|--|---|---|-------------------|------------------|
| National debt at the revolution | — | — | £ 664,263 | 39,855 |
| <i>Increase</i> during the reign of King William | — | — | 15,730,439 | 1,271,087 |
| Debt at the accession of Queen Anne | — | — | 16,394,702 | 1,310,942 |
| <i>Increase</i> during the reign of Queen Anne | — | — | 37,750,661 | 2,040,416 |
| Debt at the accession of George I. | — | — | 54,145,363 | 3,351,358 |
| <i>Decrease</i> during the reign of George I. | — | — | 2,053,128 | 1,133,807 |
| Debt at the accession of George II. | — | — | 52,092,235 | 2,217,551 |
| <i>Decrease</i> during the peace | — | — | 5,137,612 | 253,526 |
| Debt at the commencement of the Spanish war 1739 | — | — | 46,954,623 | 1,964,025 |
| <i>Increase</i> during the war | — | — | 31,338,689 | 1,096,979 |
| Debt at the end of the Spanish war 1748 | — | — | 78,293,312 | 3,061,004 |
| <i>Decrease</i> during the peace | — | — | 3,721,472 | 664,287 |
| Debt at the commencement of the war 1755 | — | — | 74,571,840 | 2,396,717 |
| <i>Increase</i> during the war | — | — | 72,111,004 | 2,444,104 |
| Debt at the conclusion of the peace 1762 | — | — | 146,682,844 | 4,840,821 |
| <i>Decrease</i> during the peace | — | — | 10,739,793 | 400,000 |
| Debt at the commencement of the American war. | — | — | 135,943,051 | 4,440,821 |
| <i>Increase</i> during the war | — | — | 110,279,341 | 4,703,092 |
| Amount of our present national debt | — | — | £ 246,222,392 | 9,143,913 |

One circumstance alone furnished the author with any consolation whatsoever during the whole course of this painful investigation, which has arisen from the wealth and resources of this country having been found infinitely superior to the expectations even of the most sanguine. There is hardly a period, since the revolution, in which as great apprehensions were not entertained of the stability of the funds, and as loud complaints made of the intolerable weight of taxes, as at the present hour:

and

and if the public are but convinced that our incumbrances, however enormous, are not beyond the ability of the country either to bear or to redeem, and at the same time that the burden has grown to such a height that palliatives can be no longer effectual, but that great and substantial measures must be taken for their redemption without delay, it is apprehended there will be little difficulty in carrying such plans into effect as will soon render Great Britain as happy, flourishing, and powerful, as ever; and Europe (in the words of Raynal) will yet be able to show the world one nation, of whom she has reason to be proud.

C H A P. V.

Of the Steps hitherto taken to diminish the Capital, and to reduce the Interest of the National Debt, with some account of the different Plans suggested for that purpose.

ANY person, unacquainted with the history of England, who was told that, in less than a century, it had involved itself in a debt of upwards of 240,000,000*l.* would naturally enquire whether any steps had ever been taken to prevent so immense an accumulation. He would be apt to ask—Were there no generous patriots to warn the nation of its danger? Were there no ministers who had either wisdom to apply a remedy, or magnanimity to check this cancerous humour^{*}, before it grew to such a height; or were the people so selfish and interested, that they would not bear the smallest additional burden for the sake of their posterity?

To satisfy the curiosity of those who may be desirous of knowing what measures were pursued for discharging the capital, or reducing the interest of our national incumbrances, is the object of the present chapter.

^{*} Bolingbroke, vol. iv. p. 130.

From the preceding part of this work, it appears that, during the reign of William, our perpetual funded incumbrances did not amount to four millions; and as the remaining burdens of the country at that time, either consisted of long annuities (which would be annihilated in the course of time), or of loans upon funds which yielded so great a surplus, after defraying their respective interests, that they were likely soon to be paid off, it was the less necessary to form any plan for a more speedy redemption: the only reduction, therefore, that took place during the whole period, was that of annihilating, by act of parliament, one half of the capital and annual interest of the bankers debt, which Charles II. had left behind him.

King William.

The great addition to our national incumbrances, which took place in the reign of Queen Anne, not a little alarmed the public. Proposals were made for raising between two and three millions *per annum*, to be applied as a sinking fund to pay them off²: and one member in the house of commons (Archibald Hutcheson) thought it incumbent on him to point out the destructive consequences of our public debts, and to suggest the means that might be taken for their redemption. But the attention of ministers was taken up with matters which they considered to be of much greater importance; namely, in political intrigues for preserving their own power, and securing a successor to the crown, on the enjoyment of whose confidence they might fully depend; consequently no steps were taken for that purpose.

Queen Anne.

Soon after the accession of the present royal family, Mr. Hutcheson presented to George I. his famous plan for the payment of the public debts, which, as it is drawn up with great conciseness, and with much ability, is well entitled to insertion in a history of our finances.

George I.

A Proposal for the Payment of the Public Debts.

1. That the sums severally assessed on the lands of Great Britain for the land-tax of the year 1713, be made payable as a rent charge in fee

² See Proposals for a very easy Tax, to raise between two and three millions *per annum*, to begin to pay the Public Debts; by Ephraim Parker. London, printed anno 1713. It was by a tax upon the linen, woollen, and silk manufactures.

for

for ever, out of the said several respective lands, redeemable, notwithstanding, at any time, by the proprietors paying twenty-two years purchase for the same.

2. That the said rents, or the money raised by redemption or assignments of the same, be applied towards the discharge of the public debts.

3. That one-tenth part of all annuities for life, or other estate; and all other rents issuing out of the aforesaid lands, and of all sums of money secured by mortgage, and of all other debts which affect lands, be entirely remitted to their respective proprietors.

4. That the proprietors of such lands be empowered, notwithstanding any disability by settlements, to sell so much of the said lands as shall be sufficient to redeem the aforesaid respective rent charges.

5. That one-tenth part of all the debts secured by the public funds, be remitted.

6. That one-tenth part of all the other nett personal estate of all the inhabitants of Great Britain, exclusive of the aforesaid debts which affect lands and public funds, be applied to the payment of the public debts.

7. That two shillings in the pound be made payable yearly out of the salaries and perquisites of all offices and places which are now in being, or shall at any time hereafter be created, and to remain during the continuance of such offices and places respectively.

8. That the legal interest be reduced to 4 *per cent. per annum*.

9. That, for the effectual securing of the payment of such public debts, for which there either is at present no provision, or the provision made by parliament appears to be deficient, that all funds granted for any term of years be made perpetual, until the principal and interest of all the said public debts be fully paid off; and that the interest of such public debts as at present have defective or no securities, be paid out of the yearly produce of the said funds, and that the remainder only of such produce, over and above the interest of the said public debts, be applied towards the sinking of the principal money.

10. That provision may be made by an excise on apparel, or some other excise, sufficient to produce one million *per annum*, in lieu of the land-tax, to continue till all the public debts are discharged¹.

¹ Hutcheson's Collection of Treatises, p. 27.

It is unnecessary to trouble the reader with any observations upon so excellent a proposal, the propriety of which must strike every person who is in the least acquainted with the subject. It contains a system also, which, with little alteration, might be accommodated to these times. Notwithstanding the immensity of the present load, were it thus transferred from the public to the several individuals in their just proportions, the burden would be little felt, in comparison of what it is; and, in the space of a few years, the whole would be totally extinguished. It proposes, it is true, an attempt of a bold and daring nature; but if it came recommended by a popular minister, or a respectable committee of the house of commons, it might yet meet with a favourable reception from the public. It is a matter also that may be discussed with the utmost propriety, not only by those who are in power, and those who are in parliament, but by the public in general: for there is not a single individual in the country, whatever his station may be, who is not materially affected by the debts with which the nation is loaded, and whose comfort and happiness will not, in future, depend upon the steps that must soon be taken in regard to these incumbrances.

Nor was Hutcheson the only person, during this reign, who suggested the necessity of adopting effectual measures for diminishing the national debts.

In the year 1715, Mr. Apgill published his plan, for the more speedy redemption of all the perpetual funds, excepting the original stock of the Bank of England^{*}. His idea was, that two millions should be raised in specie, and deposited in a bank, to support the circulation of twenty millions of Exchequer bills, bearing an interest of 3 *per cent.*, with which all the redeemable debts were to be paid off. As an annual interest, amounting to 1,182,454*l.* 10*s.* 5*d.* was then paid for these redeemable debts, and as the interest of the two millions to be borrowed, at 6 *per cent.*, and of twenty millions of Exchequer bills, at 3 *per cent.*, amounted only to 720,000*l.* it is evident that the public would thus have acquired a sinking fund of 462,454*l.* 10*s.* 5*d.* It is said, that the Bank, notwithstanding the variety of difficulties it had to struggle with in the infancy of public credit, and of paper currency,

Mr. Apgill's
plan.

^{*} Abstract of the public funds, printed for J. Roberts. An. 1715.

and the situation of public affairs at the time, was able to support a circulation of 1,200,000*l.*, by means of 300,000*l.*, which it had called in from the proprietors. Mr. Aſgill therefore computed, that two millions would be ſufficient to maintain the credit of twenty millions of Exchequer bills. The plan was undoubtedly too extenſive; perhaps were it tried on a more limited ſcale, it might be attended with ſucceſs.

Stephen Barbier's propoſal.

When paper circulation was firſt ſet on foot, it was viewed with great jealouſy and apprehenſion: but when the minds of men had become more reconciled to it, and the beneficial conſequences attending it were more clearly perceived, the world rapidly run into a very oppoſite extreme, and it began to be imagined, that the greateſt operations might be effected by means of this new power⁵. Impreſſed with theſe ideas, Stephen Barbier preſented his expedient to pay the public debts to George I. on the 6th of May 1719.

The object of this propoſal was to convert forty millions of the national debt into notes, bearing 1 *per cent.* leſs intereſt than the original fund, which was thus to be converted: the conversion was only to take place at the requeſt of the creditor, who might thus, at any time, obtain both his principal and intereſt. Theſe notes were to be current in all pecuniary tranſactions, and were to be paid in ſpecie in ſix months after they were preſented for payment. Every perſon muſt perceive, that the only poſſible advantage which this plan afforded, was that of reducing the intereſt of the funds 1 *per cent.* when the creditor choſe to convert his ſtock into notes, which would not probably be done to any great extent; and yet the author flattered himſelf, that he had pointed out treaſures more valuable than the mines of Peru, and ſuggeſted the means of rendering this country, by a ſingle ſtroke of finance, the moſt powerful in the univerſe⁶.

⁵ A very ingenious propoſal, founded on theſe ideas, entitled, “A method that will enable the government to pay off that part of the public debt which is redeemable by parliament,” was privately printed in April 1715, and diſtributed among the miniſters and members of parliament. By this plan, twenty-one millions was to be paid in ſeventeen years, by bills of credit, without intereſt.

⁶ See an expedient to pay the public debts, by Stephen Barbier, gentleman, printed anno 1719. As George I. was not very converſant in the Engliſh language, it was printed both in French and Engliſh.

Having

Having thus seen the various plans that were proposed, let us next consider what measures were really adopted.

The first step that was taken for relieving the nation undoubtedly was, that important regulation, by which legal interest was reduced from 6 to 5 *per cent.* On the 18th of June 1714, a member of the House, whose name is not known, had proposed to reduce the interest of the public funds; but it was dropped, no person having seconded the motion. On the contrary, Mr. Hutcheson, and other members, were ordered to prepare and bring in a bill for reducing the rate of interest, without prejudice to parliamentary securities⁷. We are much in the dark, as to the grounds on which it proceeded. It appears, however, that so large a sum as 20,000*l.* had been lent at only 4 *per cent.* on private security⁸; and consequently, there could hardly be any well founded objection on the part of the monied interest, to the law being enacted.

The rate of legal interest on private securities lowered.

The reduction of the interest of the public debts, though not the avowed, yet was the necessary consequence of the legal rate on private securities being thus diminished. Government began immediately to borrow money upon lower terms. Of this, a singular instance occurs *anno* 1715. By an act that passed that year, 54,600*l. per annum*, was set apart, as the interest that must be provided for in consequence of a loan of 910,000*l.* proposed to be raised at that time. But as it was afterwards found, that money could be procured at 5 *per cent.*; another act was passed that very session, by which the annuity was reduced to 45,500*l. per annum*⁹. When new loans were thus raised at 5 *per cent.* no good reason could be assigned why the old debts, redeemable by parliament, should remain at six.

Reduction of the interest of the public debts.

The merit of establishing a Sinking Fund in this country has, in general, been ascribed to Sir Robert Walpole, but erroneously; for other funds of the same nature had previously existed, and in particular, the surplus of the aggregate fund had been dedicated to purposes exactly similar¹⁰. But he, as chancellor of the exchequer, had the charge of the first important operation of that nature, and undoubtedly, managed it with

Origin of the Sinking Fund.

⁷ Comm. Journ. vol. xvii. p. 689.

⁸ See Chandler's debates of the Commons, vol. vi. p. 131.

⁹ 1 Geo. I. sess. 2. cap. 19.

¹⁰ Ibid. cap. 12.

great dexterity and judgment. For he not only prevailed upon the Bank, and the South Sea Company, to make a considerable reduction in the interest they received from the public, but also voluntarily to offer 5,500,000 *l.* to government, if it should be necessary, to be applied for paying off the redeemable debts of such creditors as were unwilling to accept of 5 *per cent.* for their principal". Such an advance however was not necessary; and the advantage which the public received from this reduction, will appear from the following statement :

STATE of the REDUCTION of the INTEREST on the
PUBLIC FUNDS, *Anno 1716.*

| | <i>Principal.</i> | <i>Interest.</i> | <i>Reduced.</i> |
|--|-------------------|------------------|-----------------|
| 1. To exchequer bills cancelled by the Bank, <i>anno 1710.</i> | £ 1,775,027 7 10½ | 106,501 14 5 | 88,751 7 10½ |
| 2. To sundry other exchequer bills due to the Bank, being originally at the rate of 7 <i>l.</i> 4 <i>s.</i> ½ <i>d.</i> interest | 4,561,025 0 0 | 328,561 15 6 | 215,779 13 5 |
| 3. To the South Sea capital | 10,000,000 0 0 | 600,000 0 0 | 500,000 0 0 |
| 4. To other redeemable debts, reduced to 5 <i>per cent.</i> ¹² | £ 9,392,311 4 2½ | 563,538 13 5½ | 469,615 11 2½ |
| | £ 25,728,364 2 1 | 1,598,602 3 4½ | 1,274,146 12 6 |
| | | £ 1,274,146 12 6 | |
| Total annual surplus | | £ 324,455 10 10½ | |

Clause appropriating the surpluses of the funds.

A considerable surplus being thus procured, the next question was, how it should be disposed of? The Commons, on the 23d March 1716, had resolved¹¹, that all savings that should arise from the reduction of the interest, should be applied towards discharging and diminishing the

¹¹ A reduction of interest was, at that time, not unpopular even among the creditors; at least, it is said, that old Bateman (a great stockholder) told Lord Stanhope, that he was glad the resolutions had been taken; because, though his interest was diminished, he should think his principal more secure than ever. Bolingbroke's Works, vol. iv. p. 150.

¹² There was afterwards added to this sum 140,844 *l.* 6 *s.* 5½ *d.* of interest, converted into capital. See Postlethwayt, p. 252.

¹³ Comm. Journ. vol. xviii. p. 513.

national

national debt. But on the 10th of April, Sir Robert Walpole resigned his situation in the treasury; and as the plan of one minister is seldom relished by another, this important regulation was actually left out of the bill that was brought in. The omission, however, was supplied, by an instruction to the committee, by which they were directed to provide, that the surpluses of the several funds should be strictly appropriated to the discharge of the national debts¹⁴; and the act itself, contained the following memorable clause¹⁵: “And be it further enacted, that all the monies to arise, from time to time, as well of the excess, or surplus of an act made this session, for redeeming the funds of the Bank of England, and of the excess, or surplus, by virtue of one other act, made likewise this session, for redeeming the funds of the South Sea Company, as also of the excess or surplus of the duties and revenues by this act appropriated as aforesaid, and the overplus monies of the said general yearly fund by this act established, shall be appropriated to the discharging the principal and interest of such national debts as were incurred before the 25th of December 1716, and are declared to be national debts, and are provided for by parliament, in such manner as shall be directed by any future act, or acts of parliament, to be discharged therewith, or out of the same, and to or for none other use, intent, or purpose whatsoever.”

These surpluses have ever since been known under the name of *The Sinking Fund*; and if, in addition to them, new taxes to the amount of half a million *per annum* had been imposed at the same time, and if the whole had been invariably appropriated to the purposes above mentioned, the progress that would have been made in discharging our public incumbrances would have been rapid indeed.

The debts of the nation, at the accession of the present royal family, consisted either of *redeemable* annuities, which could at any time be paid off by parliament, whenever money could be procured for that purpose, or of certain annuities for life, or for terms of years, which might be called *irredeemable*, as they could not be discharged without the consent of the proprietors. It has been already seen, that the former had undergone a very considerable reduction in point of annual interest; and it was always in the power of the public, to take advantage of its increas-

Origin of the
South Sea
scheme.

¹⁴ Comm. Journ. vol. xviii. p. 611.

¹⁵ 3 Geo. I. cap. 7.

ing wealth and credit, to reduce them still lower. But the irredeemable debts were a burden, which it was difficult to form any plan effectually to remove.

The South Sea Company was, at that time, by far the greatest public creditor; and it had procured an act *anno* 1717, by which the proprietors of certain short annuities (amounting to 134,998 *l.* 12 *s.*) who had yet to run above twenty-three years of their term, from Christmas 1718, were permitted to subscribe the residue of the term, at the rate of eleven and one-half years purchase into the South Sea stock, and were to receive 5 *per cent.* for the principal¹⁶. In consequence of this circumstance, and of an additional advance of about 544,142 *l.* 0 *s.* 10 $\frac{1}{2}$ *d.* the capital of the South Sea Company, was increased to 11,746,844 *l.* 8 *s.* 10 $\frac{1}{2}$ *d.*

The success with which this operation was attended, induced the company, about the middle of November 1719, to present to Earl Stanhope, then first Lord of the Treasury, a scheme “for advancing the public credit, and for a certain reduction of the interest of the whole debt of the nation to 4 *per cent. per annum*, at the end of seven years, from Midsummer 1720; also, for rendering it practicable to alter, change, or even sink the most burdensome funds; and to reduce the several branches of the customs and excise, into one entire duty.” The plan underwent considerable alterations, in consequence of the observations made by that noble lord, and Mr. Aislaby, then chancellor of the exchequer; and it was particularly insisted upon, that the company should advance to the public no less a sum than 3,500,000 *l.* for the liberty of enlarging their stock, in the manner that had been proposed. This proposal was unfortunately acceded to. I say unfortunately; for the higher the public raised its demands, the less prospect there was of the plan proving successful.

When the South Sea scheme, thus altered, was presented to parliament, the national debt stood nearly as follows:

¹⁶ 5 Geo. I. cap. 17.

OF THE BRITISH EMPIRE.

103

| | |
|--|--------------|
| 1. Due to the Bank, being their original fund | £ 1,600,000 |
| 2. Redeemable annuities due ditto | 3,775,000 |
| | <hr/> |
| 3. East India Company's capital | 5,375,000 |
| | 3,200,000 |
| | <hr/> |
| 4. The South Sea capital | 8,575,000 |
| | 11,746,844 |
| | <hr/> |
| 5. To all the other public debts and annuities proposed to be taken in by the South Sea Company, and computed at | 20,321,844 |
| | 30,981,712 |
| | <hr/> |
| 6. To be paid by the South Sea Company, for reducing the national debt | 51,303,556 |
| | 3,500,000 |
| | <hr/> |
| | £ 47,803,556 |

In addition to this reduction of the principal, the plan, in process of time, would have produced a sinking fund, which, when added to the former surpluses, would have been productive of the greatest advantages to the public.

STATE of the ANNUAL SAVINGS.

| | |
|--|---------------------|
| 1. By converting the long annuities into redeemable stock | £ 133,541 |
| 2. The interest of the £ 3,500,000 advanced by the South Sea Company at 5 per cent. | 175,000 |
| | <hr/> |
| 3 To the reduction of interest from 5 to 4 per cent. upon the Company's original capital, and the redeemable annuities, to be incorporated in their stock, which reduction was to take place at Midsummer 1727 | £ 308,541 |
| | 235,426 |
| | <hr/> |
| | Total annual saving |
| | 543,967 |
| 4. The Sinking Fund, then produced per annum | 636,000 |
| | <hr/> |
| | Total Sinking Fund |
| | £ 1,179,967 |

Thus, anno 1727, a sinking fund of near 1,200,000 *l.* was provided, by which the whole debt of the nation would have been soon extinguished, had it been invariably appropriated.

It is necessary to attend to a very important distinction between the South Sea plan, as it was originally formed, and as it was afterwards perverted. The original plan was, merely to induce the irredeemable creditors

Perversion of the South Sea scheme.

creditors to part with their annuities, consisting of 667,705 *l.* 8 *s.* 1 *d.* *per annum*, in long annuities, which did not terminate till the year 1708, and of 121,000 *l.* 8 *s.* in short annuities; the value of both of which was perpetually rising, and proportionably increased, as the interest on the other funds was reduced. No effectual measures could be taken for lessening the public debts, whilst these annuities remained irredeemable. It was an object, therefore, of the utmost consequence to the public. But unfortunately, other advantages were expected, which, it was imagined, a competition between the Bank and the South Sea Company, would not a little promote.

It is said, that, at first, the Bank discouraged all ideas of that nature. But afterwards being chagrined, that an upstart company should thus propose a plan so likely to prove beneficial, they were induced to give in proposals, by which they offered no less a sum than 5,500,000 *l.* for the same privilege which the South Sea Company were to have acquired; and it was represented on their behalf, that if any advantage was to be obtained by a bargain with the public, considering the many great and eminent services which their corporation had done to government, in the most difficult times, they flattered themselves that they ought to be preferred. The South Sea Company were so much irritated by this opposition, that at a general court, they instructed their directors, not to lose the scheme *cost what it would*; and accordingly, they offered proposals, securing a profit of 4,667,000 *l.* to the public; and by which, if all the irredeemable annuities were subscribed, the enormous sum of 7,567,500 *l.* would be gained¹⁷. Terms so advantageous were immediately accepted of; and a bill was accordingly brought in, which, after some opposition, at last received the full sanction of the legislature¹⁸. But the competition between the two companies, and the great offers which they had respectively proposed, made the public imagine, that there must be something more profitable in the scheme than was at first supposed, or could be fathomed by those who were not in the secret; and hence, "The imaginations of mankind became easily heated, and "their passions so animated with ideas of *inconceivable advantages*, that

¹⁷ See the proposal, Comm. Journ. vol. xix. p. 246. The proposals given in by the Bank, may be seen in the Historical Register for the year 1720, p. 31 and 38.

¹⁸ 6 Geo. I. cap. 4.

“ they threw away all reason, and gave themselves up wholly to “ humour ”.”

The profits of the South-Sea Company, were to arise, 1. From the interest they were to receive from the Public on their capital, which was to continue at *5 per cent.* for seven years: 2. From the advantages of their trade to the South-Sea: 3. From a monopoly of the trade to Africa, and the property of Nova Scotia, and of that part of the island of St. Kitt's which had belonged to the French. But in the fervour of their competition with the Bank, they had been prevailed upon to give up these latter advantages for the present, trusting to the promise of the minister, that they should afterwards be procured. And such was the dilemma to which the company was reduced from these circumstances, that nothing but taking advantage of the blindness and infatuation of the people, and of that phrenzy of avaricious enterprise in pecuniary speculations, which prevailed at that time, could give them any prospect of fulfilling their engagements with the public. Accordingly, a variety of infamous artifices were put in practice, to enhance the value of their stock; imaginary advantages were held forth; a thousand groundless reports were circulated with regard to acquisitions in the South-Seas, &c. &c. and dividends were voted, which the directors very well knew could never be paid, and for which there was no solid foundation.

The steps that were taken for the relief of those individuals who suffered by these transactions, and for the punishment of the directors, and their associates in guilt, is not within the object of this work to relate. It is proper, however, to state the advantages which the nation reaped. At first, an act was passed, by which (in full for the claims which the public had upon the company) two millions of its capital were sunk. These two millions, however, were afterwards revived, together with the annuity attending the same”. But the public, in the first place, received this advantage, that 535,362 *l.* 15 *s.* 7½ *d.* of long annuities, and 97,335 *l.* 5 *s.* of short annuities, were converted into redeemable stock (which at this time bears but *3 per cent.* interest;) and by the bargain with the company, their capital was reduced, at Mid-

¹⁹ See a true state of the South-Sea scheme in folio, p. 30.

²⁰ 6 Geo. I. cap. 6.

summer 1727, from 5 to 4 *per cent.* by which the following profit was gained :

State of the Annual Profit gained by the Public, in consequence of its bargain with the South-Sea Company.

| | |
|---|----------------|
| 1. By One <i>per cent.</i> on 13,061,878 <i>l.</i> of South-Sea capital, reduced by the bargain at Midsummer 1727, from 5 to 4 <i>per cent.</i> | £ 130,618 15 7 |
| 2. By one <i>per cent.</i> on the South-Sea annuity, the principal being 16,901,241 <i>l.</i> 17 <i>s.</i> | 169,012 8 4 |
| 3. By one <i>per cent.</i> on 4,000,000 <i>l.</i> purchafed of the South-Sea Company by the Bank of England | 40,000 0 0 |
| Total | £ 339,631 3 11 |

This annual faving, calculated at 25 years purchafe, yielded a profit to the public of 8,490,780 *l.* : a fmall fum, compared to the advantages of which this meafure might have been productive, but much greater than what is generally fuppofed²¹.

Progreſs of
the ſinking
fund during
this reign.

The great object which miniſters ſeem to have had in view, ſince the commencement of our public debts, was not to diſcharge the principal, but to diminifh the intereſt, ſo as to render their adminiſtration as little burdenſome to the people, and conſequently, as popular as poſſible. Notwithſtanding principles of a nature ſo very unfavourable, to the exiſtence of a ſinking fund ; yet during the whole reign of George I. it was invariably appropriated to the purpoſes for which it had been formed ; and, rather than encroach upon it, money was borrowed upon new taxes, when the ſupplies in general might have been raiſed, by dedicating the ſurpluſſes of the old taxes to the current ſervices of the year²². Little progreſs, however, was made in diſcharging the public debts ; for at the ſame inſtant that old incumbrances were thus paid off, new debts were contracted. The ſinking fund alſo, until the five *per cents.* were reduced to four, in the year 1727, hardly amounted to 600,000 *l.* *per annum* ; and in the infancy of ſuch a fund, its operations are

²¹ Advantages which have accrued to the public, by the execution of the South-Sea ſcheme, printed *anno* 1726, p. 8. It may be ſaid, that by 11 Geo. I. cap. 9. 3,775,027 *l.* 17*s.* 10*d.* was reduced at the ſame time to 4 *per cent.* But that was probably owing to the example given by the South-Sea Company of ſuch a reduction.

²² Price's Appeal on the National Debt, edit. 1762. p. 29. note B.

very limited and confined. It appears, however, from a vote of the House of Commons, on the 12th of March 1727, that from Christmas 1716 to Lady-day 1728, there was, or would be, issued, for diminishing the national debts, no less a sum than 6,648,762 *l.* 5 *s.* 1 *d.*²³

About the latter end of the former reign, it was a question which became not a little controverted, whether the public creditors had a right to insist, that the sinking fund should be solely applied to discharge the principal of their debts. On the one hand, it has been positively asserted, that no condition of that nature was either expressed or understood, in all the conferences that were held between the minister and the public creditors, when that fund was originally established²⁴. On the other, nothing can be stronger in support of such a claim, than the words of the act of parliament, particularly when joined to the speeches from the throne, and the addresses of both houses of parliament²⁵. It is well known also, that in the year 1726, a very able and intelligent member, connected with the minister at the time, published an elaborate performance, to prove the utility of such a fund, and to refute all apprehensions in regard to its being perverted²⁶. The fact seems to have been, that at first it was supposed equally for the advantage of the creditor and the public, that it should be thus invariably applied. But when it was no longer insisted upon by the creditor, and when the competition came to be, not who should be *first*, but who should be *last* paid, it was easy to foresee, that the sinking fund would soon be alienated, unless protected from the rapacity of ministers, by much stricter regulations than had as yet been enacted.

George II.

²³ Comm. Journ. vol. xxi. p. 81.

²⁴ Considerations concerning the Public Funds, &c. 2d edit. printed anno 1735, p. 13. Nor is it so much as hinted at in the proposals given in by the Bank, or South-Sea Company. Hist. Regist. an. 1717. p. 208.

²⁵ See the extracts of the speeches and addresses, in Price's Appeal, p. 26. Note A.

²⁶ Essay on the Public Debts of the Kingdom; supposed to be written by Sir Nathaniel Gould, 2d edit. printed anno 1726, reprinted for B. White, Fleet-street, anno 1782. This tract was twice answered, first by a pamphlet intitled, Remarks on the Essay, &c. Printed by A. Moore, anno 1727; and secondly, by Mr. Pulteney's well-known State of the National Debt, printed for R. Franklin, in the same year. Sir Nathaniel supported his former opinions in a paper, intitled, A Defence of the Essay, &c. Printed for J. Peele, anno 1727.

Perversion of
the sinking
fund.

The first encroachment may be traced to the year 1728-9²⁷. It was necessary to raise 1,250,000 *l.* for the current service of the year; and the ministers boasted, that such was the flourishing condition of the sinking fund, that it was very well able to pay the interest of that sum, and that there was no occasion to impose any new taxes upon the people. In vain did a member of the house move, that the supplies should be raised, without creating a new debt upon any existing fund²⁸. The motion passed in the negative without a division, and is stigmatised as having been made, merely with a view of distressing government. So little was the public at large supposed to be interested in this important transaction.

The second encroachment took place *anno* 1730-1²⁹, when certain duties imposed in the reign of king William, for paying the interest due to the East-India company (which became no longer necessary for that purpose, in consequence of their interest being reduced), was made use of as a fund for raising 1,200,000 *l.* instead of being thrown into the sinking fund, as it ought properly to have been; but the final perversion of this fund took place, *anno* 1732-3. The land-tax in the former year, had been reduced to one shilling in the pound; and the minister (Sir Robert Walpole) had by this means rendered himself so popular with the landed interest, that he was determined to persevere in the same unfortunate system of securing his own power at the expence of the revenue. Accordingly he moved, that the land-tax should be continued at one shilling in the pound, and that 500,000 *l.* should be taken out of the sinking fund, and applied to the current services of the year³⁰.

It is to the credit of parliament, that the measure proposed met with a violent opposition in both houses: but it is unnecessary to enter into the particulars of debates, which every person may easily obtain, and

²⁷ By 2 Geo. II. cap. 3. Mr. Pulteney says, that the first encroachment made upon this fund, was by an increase of the civil list; and the second, by taking off the salt duty. See Chandler's Debates, vol. vii. p. 228. But these were rather circuitous than direct encroachments.

²⁸ Comm. Journ. vol. xxi. p. 206.

²⁹ 4 Geo. II. cap. 9.

³⁰ Comm. Journ. vol. xxii. p. 16.

peruse". The parliament, however (as Dr. Price observes), not accustomed to refuse the minister any thing, agreed to the proposal; "and thus expired, after an existence of about eleven years, the sinking fund, that sacred blessing—once the nation's only hope—prematurely and cruelly destroyed by its own parent. Could it have escaped the hands of violence, it would have made us the envy and the terror of the world, by leaving us at this time, not only tax-free, but in possession of a treasure, greater perhaps than ever was enjoyed by any kingdom". This learned and respectable author, has perhaps carried his enthusiasm too far, with regard to the advantages resulting from an invariable appropriation of this fund; but he speaks with that honest warmth which every real patriot feels, in a matter so interesting to the public.

It is unnecessary to enquire very minutely into the application of the sinking fund, after it was thus fatally perverted; for though it has been occasionally applied for discharging some part of our incumbrances, yet it has been much oftener expended in the current services of the year, and consequently has not been productive of any material advantage; on the contrary, has loaded the public with a heavy burden, to encourage the profusion of ministers, and to discourage, so far as a weight of taxes is able to do it, the general industry of the people.

Sir Robert Walpole was not only the person by whose means the sinking fund was perverted, but he also exerted his abilities and influence in parliament, to prevent the reduction of a considerable part of the public debt from 4 to 3 *per cent.* which might have been easily effected in the year 1737. The 3 *per cents.* at that time, bore a premium at the market; consequently there could have been no difficulty in procuring money at that rate, to pay off such of the creditors as were unwilling to agree to the reduction. But the measure being suggested by that inflexible patriot Sir John Barnard, who was generally in opposition to the minister, the whole power of government was exerted to deprive him of the just applause he would have acquired by bringing such a measure to bear. The motions, however, which were made, "that all the public funds, redeemable by law, carrying interest at

Rejection of
the plan for
reducing the
interest of the
public funds,
An. 1737.

³¹ See Historical Register, p. 218. Comm. Debates, published by Chandler, vol. vii. p. 285; and Lords Debates, published by ditto, p. 489.

³² Appeal on the National Debt, p. 38.

“ four, should, with the consent of the proprietors, be reduced to three “ *per cent.*,” and, “ that his majesty should be enabled to borrow any sum “ of money that might be necessary for redeeming the debts of those “ who refused to consent to the reduction,” were voted, after some opposition. But the bill that was brought, in in consequence of these resolutions, was not even sent to a committee”. It is astonishing what absurd arguments were made use of to prevent this proposal passing into a law. It was urged, that such a reduction, instead of tending to increase our trade, and to improve the landed property of the nation, would probably contribute to the ruin of both. The pitiable case of widows and orphans, whose income would be thus diminished, was loudly deplored; and in particular, it was asserted, that it would prove destructive and ruinous to the capital, in whose neighbourhood the greater part of the stockholders and annuitants could no longer afford to live, but would be obliged to retire to remote and cheap districts in the country. It was also contended, that the scheme was impracticable, though a similar one had been carried into effect, *anno* 1716, and was again put in practice under Mr. Pelham’s administration. It is difficult to estimate the loss which the public sustained in consequence of this proposal having been rejected. The capital of the South Sea company at Christmas 1738, when the reduction would have taken place, amounted to 27,300,000 *l.* one *per cent.* on which was 273,000 *l.* *per annum.* It continued at four *per cent.* till December 1750, and at three one-half *per cent.* until December 1757. The difference of interest which the public paid in the interval, amounted to four millions and a half; and when it is considered, that the other four *per cents.* might also have been reduced about the same time, we may in some degree calculate what the minister sacrificed from a spirit of opposition.

Reduction of
interest,
An. 1749.

But the same measure, which, when it was proposed by a private individual, was accounted visionary and impracticable, was no sooner put into the hands of a minister, than it instantly became the best and

³² Comm. Journ. vol. xxii. p. 834. The division was 222 in favour of the first motion, and 157 against it. But the second division was very opposite to the first; 249 being against the bill, and 134 only for it. This proves how efficaciously the minister had made use of his influence to overturn the plan. Ditto, p. 368.

wisest plan that could be devised; and was actually carried into execution, though in the course of the Spanish war, which began *anno* 1739, an addition of above thirty millions had been made to the national debt. The history of this important financial operation it is proper briefly to explain.

In the session of parliament, which began in November 1748, Mr. Pelham, as chancellor of the exchequer, publicly intimated his intention of embracing the first favourable opportunity that should offer, to reduce the interest then payable on the greatest part of the national debt; and as such a measure was afterwards recommended to the consideration of parliament, in a speech from the throne on the 16th November 1749, those who were interested in the public funds, had due notice of the intentions of the ministry. Every stockholder was put on the same level; consequently no unfair advantage could be well taken of any individual.

The four *per cent.* annuities, at that time, were as follows:

| | | | | | | | |
|---|---|---|---|---|------------|------------|------|
| 1. Due to the Bank of England | — | — | — | £ | 8,486,800 | 0 | 0 |
| 2. Due to the South-Sea Company | — | — | — | | 27,302,203 | 5 | 6 |
| 3. Due to the East-India Company | — | — | — | | 3,200,000 | 0 | 0 |
| 4. Annuities transferrable at the Bank of England | — | | | | 18,402,472 | 0 | 10 |
| 5. Annuities on the plate act, transferrable at the Exchequer | | | | | 312,000 | 0 | 0 |
| | | | | | <hr/> | | |
| | | | | | £ | 57,703,475 | 6 4½ |
| | | | | | <hr/> | | |

The first resolution of the house of commons, in regard to this reduction, passed on the 29th of November 1749. The purport of it was, that such public creditors as received an interest of 4 *per cent.* upon their capital, redeemable by parliament, who would signify, on or before the 28th of February 1749-50, their acceptance of 3 *per cent.* interest from December 1757, should have their debts made irredeemable until that period, and should receive in the interval, 4 *per cent.* till December 1750, and three one-half *per cent.* from that time until the whole reduction took place. It met with no opposition; and the commissioners and officers of the Treasury, and Sir John Barnard the original proposer, were ordered to bring in the bill.

Every person must perceive, that to discharge so immense a capital at once, was totally impracticable. Yet such was the influx of money
into

into this country, and the high credit which it then enjoyed, that new loans could have been obtained at 3 *per cent.* to pay off some part of the creditors; and as money would naturally grow cheaper, and more plentiful every year, during the continuance of peace, larger sums might have been borrowed at the same rate every succeeding year, and the reduction to 3 *per cent.* would probably have taken place sooner than it actually did. The 3 *per cent.* annuities then sold at 101; and as such 4 *per cent.* creditors as were paid off (if they replaced their money in the funds), could not receive even 3 *per cent.* for their money, the offer was evidently in their favour. But an idea being prevalent, at the time, that the peace would be of short continuance, and a variety of objections having been made on the part of the creditors, some proposing one plan, and others recommending another totally different, the scheme was likely to have failed, very few of the stockholders having signified their approbation of the terms proposed, when the period approached.

It was at this crisis (6th February 17 $\frac{2}{3}$), that Sir John Barnard, wrote his famous "Considerations on the Proposal for reducing the "Interest of the National Debt", in which, he proved so clearly, the general utility of the measure, and the advantages which it would yield to the subscribers themselves, that, before the 28th of February, about forty millions were subscribed.

Little difficulty would have been found to procure money for paying off, in the space of a few years, those annuities which remained unsubscribed. It was therefore resolved, to punish such as showed a disposition, by their tardy acceptance, to defeat so beneficial a proposal to themselves and the public. Accordingly, a bill was brought in, by which the second subscribers were reduced from 3 $\frac{1}{2}$ to 3 *per cent.* at December 1755; two years sooner than those proprietors who had signified their assent to the original proposal. Above eight millions, ex-

³³ Printed by J. Osborn, anno 1750. In this tract, the distinction between a public and private creditor, is taken notice of. "The latter (he says) has a right to demand "his money when he wants it, which the creditor of the public cannot do," P. 7. He was also the author of another excellent tract, published on the same subject, anno 1737, entitled, "Reasons for the more speedy lessening the National Debt, and taking "off the most burthenfome of the Taxes."

clusive of the India and South Sea stock³⁵, were subscribed on these reduced terms; and the remainder, amounting to three millions and a half, was paid off by new loans at 3 *per cent.*, and by the produce of the sinking fund, "Thus (says an intelligent writer), these acts were passed, which received their currency from the fair character, both for knowledge and integrity, of that distinguished patriot Sir John Barnard, whose concurrence with the ministry, procured such a quick passage through the House to the laws themselves, and whose judgment, in matters of that nature, has for many years had such weight with the public, that the success of the measure much depended upon his assistance³⁶."

The nature of this great operation, will appear in one view from the following state:

| | 1. Subscription. | 2. Subscription and posterior acts. | Unsubscribed. |
|----------------------------------|--------------------|--|----------------|
| 1. Bank stock | £ 8,486,800 0 0 | — — — | — — — |
| 2. East India stock | — — — | 3,200,000 0 0 | — — — |
| 3. South Sea stock | — — — | 3,662,784 8 6½ | — — — |
| 4. South Sea annuities | 15,335,740 5 0 | 6,026,785 0 5 | 2,276,893 11 7 |
| 5. Bank annuities | 14,857,455 18 4 | 2,714,117 18 0 | 830,898 4 6 |
| 6. Annuities on the plate act | 126,500 0 0 | 3,250 0 0 | 182,250 0 0 |
| First subscription | £ 38,806,496 3 4 | 15,606,937 6 11½ | 3,290,041 16 1 |
| Second ditto | 15,606,937 6 11½ | — — — | — — — |
| | £ 54,413,433 10 3½ | — — — | — — — |
| Unsubscribed | 3,290,041 16 1 | — — — | — — — |
| | £ 57,703,475 6 4½ | — — — | — — — |

As this was the last important reduction that took place, it may not be improper to give a general view of the three great operations of that nature, with some observations upon the question, how far such measures ought to be adopted.

³⁵ The South Sea Company, however received (in consequence of 24 Geo. II. cap. 11.) interest upon their capital of 3,663,784 *l.* 8*s.* 6½*d.* at the rate of 4 *per cent.* until the 25th December 1757.

³⁶ See a dispassionate remonstrance on the nature and tendency of the laws now in force, for the reduction of interest. Printed anno 1751, p. 11 and 16.

HISTORY OF THE PUBLIC REVENUE

GENERAL VIEW of the Principal Reductions which have taken place in the Interest of the Public Funds.

1. REDUCTION.

To the reduced interest of various funds, from 6 to 5 *per cent.*

| | | | | | |
|------------------|---|---|---|---|------------------|
| <i>anno 1717</i> | - | - | - | - | £ 324,455 10 10½ |
|------------------|---|---|---|---|------------------|

2. REDUCTION.

1. To the reduction, by the bargain with the South Sea Company, from 5 to 4 *per cent.* commencing M^dsummer 1727

339,631 3 10

2. To the reduction on part of the debt due to the Bank at ditto, in consequence of a separate agreement, exclusive of the four millions purchased from the South Sea Company

37,750 5 6½

3. REDUCTION.

1. To various annuities, reduced from 4 to 3 *per cent.* at different periods, from Dec. 1750 to ditto 1757, including only the annuities subscribed, or afterwards admitted

544,134 6 8½

2. To 2,100,000 *l.*, borrowed at 3 *per cent.* to pay certain unsubscribed 4 *per cent.* South Sea annuities

21,000 0 0

£ 1,266,971 6 11½

For the propriety of such reductions, Sir John Barnard has ably contended; nor is it possible to state the arguments in their behalf in a clearer light.

“ When the nation (says he) is under a necessity of raising money, more than can be supplied by taxes paid within the year, they mortgage some particular taxes for payment of the interest of a sum of money borrowed; and they are obliged to give such interest and premiums, as will induce people to lend their money, let the terms be never so extravagant; and if the public was always to continue to pay the highest interest exacted at the times of lending the money, the nation must become overloaded with debts. But care is taken to make it a condition, and a stipulation, in the very act which borrows the money, that the parliament shall be at liberty to redeem the annuity attending the debt, by payment of the principal money, in such manner as the act provides. And the parliament is not tied down to redeem the annuity by the produce of the fund only. If that was
“ the

“the ease, almost all the debts contracted, would be for ever irredeemable.” But the parliament may raise money by what means they can, and apply it to the discharge of the capital; and whenever money can be borrowed, cheaper than the interest paid by the public, it is incumbent on the parliament (with great deference be it spoken), and what the nation have a right to expect from them, to make use of the opportunity, in order to give the people in general all the ease in their power³⁸.”

Notwithstanding such convincing arguments, and the important circumstance in favour of reductions, that the public, by adopting such measures, is above 1,200,000 *l.* a year less loaded than it would otherwise be, yet a modern author, whose opinions are deservedly respected, asserts, “that the nation is likely to suffer by them, much more than it has gained;” and, indeed, is for making all future loans irreducible³⁹.

I am ready to confess, that such reductions, joined to the inattention of our financial ministers, to every thing but providing for the present moment, regardless of the burdens of posterity, have been the means of accumulating an artificial capital to a considerable amount; but, surely that circumstance, however unfortunate, is amply compensated, by an addition of 1,200,000 *l. per annum*, to our unencumbered revenue.

“The savings produced by such reductions (we are told by the same author) being expended on current services, tempt to extravagance; give a fallacious appearance of opulence, and by making our debts fit lighter, render us less anxious about redeeming them, and less apprehensive of danger from their increase⁴⁰.” All this may be very true, yet still the gain of 1,200,000 *l. per annum*, counterbalances these evils. If it tempts to extravagance, it also furnishes the means of waste, without additional burdens upon the people; if it makes our debts fit lighter, it prevents the industry of the people from being overloaded with taxes, and enables them the better to increase the wealth and

³⁸ Considerations, &c. p. 3.

³⁹ See Dr. Price's Tracts on Civil Liberty, p. 201 and 203. The first reduction *annus* 1717, the Doctor thinks, was necessary in order to begin a sinking fund. The others, he totally disapproves.

⁴⁰ Ibid. p. 202. Also the conclusion of Sir Nathaniel Gould's Essay on the Public Debts of this Kingdom.

capital of the country ; and with regard to the appearance of fallacious opulence, which it is said to afford, nothing but *real opulence* could furnish a nation with the ability of reducing the interest of its incumbrances; nor are there any means by which its debts could be more speedily discharged, than by taking advantage of any favourable opportunity that may occur of diminishing the interest, and applying the savings, thus obtained, to the payment of the capital.

The position above mentioned, seems to have been founded upon a principle contained in the learned author's treatise on reverfionary payments; in which it is said, "That it is of less importance what interest a nation is obliged to give for money; for the higher the interest, the sooner will a sinking fund, properly applied, pay off the principal." This idea has been already fully considered, and in my apprehension, solidly answered by two writers who have animadverted upon it. They have urged, that there are certain bounds to the resources of all states, beyond which they cannot go without ruin. That if a nation owes a hundred and forty millions, and its resources can only furnish six millions towards paying the interest, and discharging the principal, if the rate of interest was 6 *per cent.*, it must become immediately bankrupt. Whereas, if by any means the interest came to be reduced from 6 to 3 *per cent.*, it could not only discharge the interest, but could also, annually, diminish the capital. Hence, it appears, that a nation may be so circumstanced, that the reduction of interest may be of such importance, that its very existence may depend upon it⁴¹.

There is one circumstance, however, that cannot well be disputed; namely, that too little attention has been paid to the reduction of the capital. In the whole history of our finance, there is not a single attempt of that nature to be met with, except the compulsory diminution of the bankers debt in the reign of King William; and that went both to the principal and interest. It is to that species of reduction, therefore, to which our views must now be extended, as the best means

⁴¹ Observations on Reverfionary Payments, edit. 1783, vol. i. p. 187. In the first edition of that work, anno 1771, instead of *less*, the Doctor had stated, that it was of *little* importance; and in the first edition of the Appeal on the Subject of the National Debt, the interest paid upon loans, is represented to be a matter of little or *no* consequence.

⁴² Remarks on Dr. Price's Observations on Reverfionary Payments, &c. printed for J. Lowndes, anno 1782, p. 23. and Remarks on his Appeal, p. 37.

of putting our revenue in good order, and of retrieving that credit, which is so likely to be overwhelmed by artificial, as well as real burdens.

When the reduction was proposed *anno* 1749, there were two important questions which were the subject of much discussion. 1. Whether the saving should be unalienably applied to the discharge of the capital? Or, 2. Whether taxes to that amount should be taken off?

We find, in the tract attributed to Sir John Barnard, that many of the creditors were willing to subscribe, provided the interest thus reduced, was tied down to the payment of the principal, and could not *by any means* be diverted from it; and that excellent citizen himself, declares, that the best use to be made of the sinking fund, is to tie down absolutely a good part of it to the payment of the debts⁴³. But he is at the same time of opinion, that this is not the *only* good use which may be made of it; nay, he goes so far as to assert, "that to whatever use "the sinking-fund may be applied, the nation must be benefited. That "when part of it is appropriated to the current service of the year, it "prevents so much being raised by new taxes; and that it is best to be "in possession of the intended savings, before the uses be determined."

Unfortunately, however, when once the savings were secured, no steps were taken to tie down the inviolable appropriation of so considerable a surplus, for the extinction of our incumbrances.

Nor did another plan, agitated at that time, meet with a better fate.

It was urged, with considerable strength of argument, that by such a reduction, the income of the creditor was curtailed; and yet his expences continued the same; whereas, if the taxes, which enhance the price of every commodity were taken off, the loss which the native resident creditor sustained, would be greatly diminished, and the nation in general would be relieved from many of those burdensome duties which check its industry and commerce, and by which, more than double the sum that is paid to the exchequer, is extracted from the pockets of the people⁴⁴.

Every friend to the interest of this country will regret, that one or other of these measures was not adopted. If an unalienable sinking

⁴³ Considerations, &c. p. 28.

⁴⁴ See a dispassionate Remonstrance on the Nature and Tendency of the Laws now in force, for the Reduction of Interest, p. 23.

fund had been established, it would have been fully ascertained before this time, how far such a plan is entitled to all the praises which have been lavished on it; or if taxes to the amount of above half a million had been taken off, the effects of diminishing the burdens of the people, would not have been at this hour problematical. Every difficulty with regard to the proper application, or the entire abolition of a sinking fund, would have been removed; and the steps now to be pursued, would have rested, not on arguments (which are too often fallacious), but on experience, which cannot err.

It would be improper to conclude this subject, without taking notice of a very important circumstance; namely, that the plan proposed in 1749, for reducing the interest of the funds, was as loudly exclaimed against, as being contrary to the faith of parliament, and likely to destroy the whole credit of the nation, as any measure could well be. When the stockholders were assembled to take it into their consideration, it was generally reprobated. The Bank refused its consent; the East India Company were greatly dissatisfied⁴; and from the account already given, it appears, how many other difficulties it had to struggle with. By this example, our ministers should be encouraged, not to be alarmed by groundless clamour, nor terrified from carrying useful measures into effect, from ideal apprehensions, that public credit is of so tender and delicate a nature, that it cannot bear the slightest touch, or minutest alteration. If that had been the case, our credit could never have survived the operation we have been considering.

Mr. Hooke's
plan.
An. 1750.

There is nothing farther, of any great importance, connected with the present subject, during the reign of George II., which deserves to be particularly taken notice of; except Mr. Hooke's admirable Essay on the National Capital, and the plan that he proposed for discharging the national debt.

The debt, which then amounted to nearly eighty millions, this ingenious author calculated was not a twelfth part of the national capital, nor the annual interest of it at 4 *per cent.*, a thirtieth part of the national income. To pay off, therefore, so slight an incumbrance, when com-

⁴ Dispassionate Remonstrance, p. 29. Annotations on Sir John Barnard's Tract, p. 1. 16, &c.

pared to the national capital, he contended was of less consequence to the community than was generally imagined; and the debt, he asserted, might be increased to double the sum without any real danger of a national bankruptcy⁴⁶. But, as others might be of a different opinion, he added a plan well entitled to the most mature consideration.

“ Let the *eighty* millions debt be divided into *eighty* equal parts of a million each, to be paid off severally, by an equal number of separate and independent classes of subscribers, whose respective constituents shall, in consideration of such subscriptions, be jointly and severally interested in an equivalent annuity, to be granted to each class, for the term aforesaid, with benefit of survivorship.

“ Let it be enacted, then, that the interest of *one* million, at *three one-half per cent.*, be converted into a capital annuity of *thirty-five thousand* pounds, and granted, for *ninety-nine* years absolute, to any body or class of subscribers, who, in consideration thereof, will advance the sum of *one* million towards discharging so much of the national debt.

“ That the *one* million, so to be subscribed, be divided into *four thousand* parts or shares of *two hundred and fifty* pounds, and the capital annuity of *thirty-five thousand* pounds, into *four thousand* lesser annuities of *eight* pounds *fifteen* shillings each, answerable to the said number of shares, and vested in the individuals of each class, in proportion to the number of shares subscribed by them severally and respectively.

“ That every person subscribing *two hundred and fifty* pounds, or one share, be entitled to one of the said lesser annuities during the life of any person he shall nominate, subject to the limitation in the said grant, and so in proportion to any greater number of shares, provided always, that the number of his nominees be ever equal to the number of his shares.

“ That, in consideration of his sinking the principal money, every subscriber be further entitled to such annual augmentation of his an-

⁴⁶ See an Essay on the National Debt and National Capital, by Andrew Hooke, Esq. Printed for W. Owen, anno 1750. p. 44.

“ nuity,

“nuity, or annuities, as shall, from time to time, accrue by casualties of mortality among the nominees of such class; so that, before the expiration of the original term, the whole capital annuity of *thirty-five thousand* pounds may vest in such subscriber or subscribers, or his or their representative, as the case shall happen, whose nominee, or nominees, shall be the last survivor, or survivors, of the said class.

“That the government creditors have the preference to all other subscribers, for so much principal money as shall, at the time of such subscription, be actually and *bona fide* due to them from the crown; and that, notwithstanding the classes, as such, are, by this plan, to be independent of each other, yet, that individuals may become subscribers in as many classes as they please, and their nominees in one class be nominees in every other class, as they shall think fit. And lastly,

“That the government, on payment of the capital annuities of *thirty-five thousand* pounds to the several classes, be absolutely discharged from all future claims of individuals, touching their respective shares, proportions, and interests, therein; and that all matters relating thereto be transacted among themselves, and determined by a court of directors, to be elected and appointed in such manner as shall be thought fit, who, by law, shall be fully authorized and empowered to make the respective dividends, and, from time to time, adjust all claims thereto; subject, nevertheless, to an appeal to the Lords of the Treasury, who, in a *summary way*, shall finally hear and determine the same.”

It is in general to be remarked, on every plan that has been proposed for paying off the whole of the national debt, with the voluntary consent of the creditors, that no one scheme will suit the ideas of every individual of which that numerous body is composed. Each different species of stock has its respective friends and favourers. Some prefer perpetual, others temporary annuities. One set of men look no farther than themselves; whilst another is anxious to secure splendor and opulence to their posterity. And in regard to Mr. Hooke's scheme, as no inconsiderable part of our public funds belongs to corporations, to whom

⁴⁷ Essay, p. 46.

an annuity of 99 years would in no respect be eligible, it is probable, that nothing but compulsion would induce them to agree to such a proposal.

But though it is liable to these objections, when carried to an extreme, yet, on a more limited scale, and with such alterations as would be suitable to the present state of our funds, the plan might be tried with perfect safety to the public. Though borrowing money on temporary annuities is wretched policy in time of war, when the state is in the power of the money-lender; yet, in a time of peace, *the lender is the servant of the borrower*, and better terms may be procured. And if there were a set of men specially appointed for the sole purpose of discharging the incumbrances with which the nation is loaded, great advantage might be reaped, by embracing favourable opportunities of altering the nature and form of our securities, in the manner the most advantageous to the public, and the best calculated to gratify the views and wishes of individuals.

At the conclusion of the war, which ended *anno* 1762, the unfunded debt amounted to about sixteen millions. Until that unshapen mass was brought into some form, no effectual steps could be taken for diminishing our incumbrances. But when that object was accomplished, no good reason can be assigned, why some effectual system was not pursued for bringing our finances into good order. A more favourable opportunity never existed. At first, indeed, our funds (for reasons which are stated by an excellent political author⁴⁵) did not rise in the same proportion that they did after the peace of Aix la Chapelle: but wealth abounded in the country; the value of the stocks was increasing every day; and mortgages were obtained, for immense sums, on private security, at 3 and a half *per cent*. These prosperous times, however, were suffered to pass away unheeded, amidst the squabbles of party.

During the late peace, 10,739,793*l*. of debts, funded and unfunded, were paid off⁴⁶. But that reduction did not take place from savings out of the ordinary revenues of the state: for it is calculated,

⁴⁵ Polit. Econ. vol. ii. p. 399.

⁴⁶ Dr. Price's Tracts on Civil Liberty, p. 177.

HISTORY OF THE PUBLIC REVENUE

by a most respectable author, that above five millions of that small diminution arose from extraneous articles, such as the balances in the hands of different public accountants; the produce of the French prizes; compositions for French prisoners; the sum paid by the Bank for the renewal of its charter; and two millions received from the East India Company, in lieu of the claim which the public had to the territorial acquisitions, &c. &c.⁵⁰. We were beginning, however, to surmount our financial difficulties, when the late unfortunate war again threw us into a gulph of misery and oppression, from which it will be difficult to emerge, unless every individual in the great vessel of the state lends his most ardent and zealous assistance.

It is proposed to conclude the present chapter with a general view of the *funded* debts that have been paid off since a sinking fund was established, and with a few observations on the necessity of making some alteration in that branch of our finances.

State of the Funded Debt paid off since the first
establishment of a Sinking Fund⁵¹.

| Year. | | | | | | | |
|-------|---|---|---|-------------|----|----|---------------|
| 1723 | - | - | - | £ 1,204,786 | 3 | 4 | $\frac{1}{2}$ |
| 1724 | - | - | - | 333,447 | 18 | 4 | |
| 1727 | - | - | - | 650,453 | 2 | 8 | $\frac{1}{2}$ |
| 1728 | - | - | - | 1,000,000 | 0 | 0 | |
| 1729 | - | - | - | 1,275,027 | 17 | 10 | $\frac{1}{2}$ |
| 1730 | - | - | - | 1,000,000 | 0 | 0 | |
| 1731 | - | - | - | 1,000,419 | 16 | 4 | |
| 1732 | - | - | - | 1,000,000 | 0 | 0 | |
| 1733 | - | - | - | 913,115 | 15 | 3 | $\frac{1}{2}$ |
| 1734 | - | - | - | 86,884 | 4 | 8 | $\frac{1}{2}$ |
| | | | | <hr/> | | | |
| | | | | £ 8,464,134 | 18 | 7 | $\frac{1}{4}$ |

⁵⁰ Wealth of Nations, vol. ii. p. 555.

⁵¹ Prior to the year 1723, the sinking fund was applied to cancelling exchequer bills, and other unfunded debts.

| Year. | | Brought over | £ 8,464,134 | 18 | 7 $\frac{1}{4}$ |
|-------|---|--------------|--------------|----|-----------------|
| 1736 | - | - | 1,000,000 | 0 | 0 |
| 1737 | - | - | 1,000,000 | 0 | 0 |
| 1738 | - | - | 1,000,000 | 0 | 0 |
| 1751 | - | - | 368,771 | 2 | 4 |
| 1752 | - | - | 821,270 | 13 | 9 |
| 1765 | - | - | 870,888 | 5 | 5 $\frac{1}{2}$ |
| 1766 | - | - | 870,888 | 5 | 5 $\frac{1}{2}$ |
| 1767 | - | - | 2,616,776 | 10 | 11 |
| 1768 | - | - | 1,750,000 | 0 | 0 |
| 1769 | - | - | 875,000 | 0 | 0 |
| 1770 | - | - | 1,500,000 | 0 | 0 |
| 1772 | - | - | 1,500,000 | 0 | 0 |
| 1774 | - | - | 1,000,000 | 0 | 0 |
| 1775 | - | - | 1,000,000 | 0 | 0 |
| <hr/> | | | | | |
| | | | £ 24,637,729 | 16 | 6 $\frac{1}{4}$ |
| <hr/> | | | | | |

It is unnecessary to trouble the reader with an account of the *unfunded* debts which have been discharged, and the manner in which the sinking fund has in general been expended, as that subject alone would require a volume to elucidate, and may be seen in another work dedicated to that special purpose⁵². We shall now, therefore, proceed to consider that important and interesting question—What is the best mode of applying the surplus revenue of a state?

There are two methods which a nation might pursue, and by adopting either of which, the funding system might be carried on without much inconvenience to the public. The first is, employing the surplus of its revenues in promoting such measures as may augment its wealth,

Two modes
of employing
a surplus of
revenue.

⁵² The sums put down in the years 1751 and 1752, were to discharge exchequer bills issued to pay off certain annuities unsubscribed, when the reduction of interest took place, *anno* 1749.

⁵³ Sir Charles Whitworth's Annual Abstract of the Sinking Fund, to the 10th of October 1763; printed *anno* 1764. This, and other useful compilations, published by the same author, ought to be continued at the public expense.

population, industry, and commerce: the second, employing the same surplus in a perpetual diminution of its public incumbrances. By the first, public debts are rendered lighter and more supportable; by the second, their accumulation is prevented.

1 First mode.
Encouraging
private accu-
mulation.

Whoever considers the financial history of this country, must be astonished at the immense resources it has possessed, and the great wealth which has been amassed in it, by the industry of its inhabitants. It is, therefore, a curious subject of political speculation, whether the surplus of its revenue, instead of being employed in diminishing its debts, would not have been better expended in the encouragement of industry; in promoting the cultivation of the soil, and in extending commerce and navigation: if, for example, twenty-four millions, which have been applied to discharge our public debts, had been dedicated to such beneficial public purposes, whether the nation would not have been, at the present moment, in a richer and more flourishing situation?

The mercantile system, as it has been called, has received such a blow from the writings of a respectable modern author⁵⁴, that it is with considerable diffidence we venture to suggest the possibility of its being extended to advantage. But the happiest theory, supported by the most plausible arguments, may be invalidated by a single fact. Notwithstanding every objection which has been urged against this system, “ though its mean and malignant expedients have diminished, instead of increasing, the whole quantity of manufacturing industry maintained in Great Britain; though it discourages the improvement of land, and hurts the interest of every order in the state, to promote the little interest of one little order of men; nay, though it is unfavourable to the revenue of the sovereign⁵⁵;” yet, with all these disadvantages, the country has flourished under it. Its riches have multiplied without bounds; its revenue, in less than a century, has increased about twelve millions *per annum*; nor has any one attempted to assign any other reason for all this prosperity, but the commercial encouragements which have been enacted by the legislature, and the at-

⁵⁴ Wealth of Nations, by Dr. Adam Smith, vol. ii.

⁵⁵ Ibid. vol. ii. edit. 1. p. 217, 218, 219, and 497.

tention:

tention which has been shewn to promote the industry and exertions of the people.

Among the regulations of the mercantile system, none seems to have been more unjustly reprobated, than the measures it has proposed of employing some part of the surplus of the revenue in promoting industry where industry is unknown, in bounties upon the exportation of our commodities, or in the encouragement of useful undertakings, which, without some public assistance, could not be attempted.

The northern parts of Scotland are surrounded by an ocean, in which the most valuable fisheries might be carried on with profit. But the inhabitants of those districts, ignorant of the blessings of industry, unacquainted with the means of conducting commercial undertakings successfully, and without capital to enable them to begin, have long enjoyed this natural advantage, without reaping from it any real benefit. How soon might the scene be altered, were proper encouragement given to their exertions! Nor would the general wealth of the country alone be augmented. The addition that might be made to the maritime strength of the kingdom, by adopting such a measure, would be inestimable⁵⁶.

England has been under the necessity of imposing upon itself such a heavy load of taxes, that neither the products of its land, nor all the manufactures of its people, can stand a competition with those of other powers in foreign markets. The exportation therefore of grain, and of some other articles, has met with encouragement from the legislature; and bounties have been given, "which have operated, like the warmth which, in a human body, one member communicates to another, when it stands in need of it."⁵⁷ Were these bounties to be increased from the surplus of the national revenue, how much might not agriculture be extended; to what a height might not our commerce be raised; and how soon might not Great Britain become the emporium of Europe!

⁵⁶ Some bounties have been given to buffes and on herrings exported, but the expence has been great without any real benefit. The high price of salt, proper for the purpose of curing, and the difficulty of obtaining casks in a distant and indigent country, are the principal obstacles to the success of the fishery, and to remove which the legislature ought to be the more attentive, as it may be done at little expence.

⁵⁷ Postlethwayte's True System, vol. ii. p. 380.

But the question to which the reader's attention is more particularly called at present, is, if the sum that has been taken from the sinking fund, and applied to the discharge of our funded incumbrances, had been expended solely in making Great Britain one populous and cultivated field or garden; whether the nation could not have borne the whole debt with less difficulty than it now can support the debt as it has been reduced? Twenty-four millions laid out in promoting the improvement and cultivation of the soil, would have rendered every acre in the kingdom productive of some valuable article. The whole country would have exhibited one uninterrupted scene of labour and fertility. No more well-founded complaints would be heard, that the number of the people had decreased, that the poor wanted encouragement to industry, or the means of employment.

But laying aside the farther discussion of a subject which it is probable the conduct of a neighbouring kingdom will soon clear up by the surest of all tests, that of experience⁵⁸; let us next see by what arguments another mode of applying the surplus revenue has been supported.

2. Mode.
Public accu-
mulations.

There is no axiom in Euclid more self-evident than this, that if the debts of a nation are never diminished, and if no steps are taken to promote the increase of its wealth, it must soon be involved in the greatest misery and distress. If the surplus of its revenue therefore cannot safely be expended in the encouragement of its agriculture, its industry, and its commerce; "if the sovereign, in attempting to perform such a duty, is exposed to innumerable delusions; and if directing the industry of the people towards employments the most suitable to the general interests of society, is a task for which no human wisdom or knowledge could ever be sufficient," nothing then remains, but to strain every nerve to lessen the public debts by the annual application of a sum, not like the present sinking fund, sometimes to one purpose, and sometimes to another, but *invariably* to the discharge of our incumbrances.

To prove how efficacious such a fund would be, let it only be considered, that if a million were inviolably appropriated, it would discharge

⁵⁸ In Ireland the surplus of the revenue is in general applied to such public purposes, and the effects of such a system in that country, will establish it in Great Britain some years hence; if the example of France does not render the establishment of an unalienable sinking fund absolutely necessary.

in the short space of sixty years, a capital of nearly three hundred and seventeen millions of 3 per cents., at the price of seventy-five per cent.⁵⁸ : consequently, if we were engaged in wars equally expensive with those which have taken place for sixty years back, namely, since the year 1723, which is hardly to be conceived ; and if those wars were to cost the nation two hundred millions for extraordinary expences, yet, at the end of that period, we should be *one hundred and seventeen millions less in debt*, than we are at present ; and at the end of an hundred and twenty years, if the same plan were persevered in, the whole of the present national debt would be paid off, together with another additional two hundred millions, which it might be necessary to borrow, in the second period of sixty years, for the public defence.

The first objection to an unalienable sinking fund, is, that it would be absurd to employ money in the paying off old debts, if a nation is at the same time under the necessity of contracting new incumbrances. This argument is too plausible not to carry with it some weight. But the plan may be formed so as to remove this obstacle, without destroying the certain advantages of an unalienable sinking fund. Let the public, in times of emergency, borrow from that fund what money it can spare, *but let it at the same time provide a fund for defraying the interest of the money that it borrows*, giving the sinking fund a proportionable share of the new loan. If that rule is observed, the public will not be deprived of so important a resource, whilst the certain effects of an unalienable sinking fund will not be diminished. In the space of sixty years, it will be possessed of a capital of three hundred and seventeen millions of 3 per cents., and it must be indifferent to the public, whether that capital consists of old debts, or of more recent burdens.

By such a plan also, a very plausible objection is removed, that it would be impossible to protect such a fund from the rapacious violence of ministers. For, let it be made use of when the public service requires it ; but at the same time, let not its beneficial effects be put an end to, by annihilating the sum that is taken from it. Render that sum productive ; let it enjoy a certain annual interest, and the process cannot be defeated.

⁵⁹ Maseres on Life Annuities, vol. i. p. 294.

The second objection rests upon the many evils with which a load of taxes is accompanied; and which an unalienable sinking fund has in some degree a tendency to accumulate. It has been urged, "that taxes are taken, not out of a *dead, barren, unproductive* fund, but out of the most *prolific* of all funds; out of the national stock of industry, and taxable capacity. They are a part of that stock, which, if left in the hands of the individual, would, at the end of the year, have produced him an *interest*, which interest would have again become the parent of *another interest*, and would have accumulated just as much faster in his hands, than in the hands of the public, as the rate of interest which he may make in his private affairs, is superior to that in the public funds. Adding at the same time to his side of the account, the expences of collection and management on the part of government:" and we are told, "that the people lose *compound interest* of every shilling which they send into the exchequer; and that too at a much higher rate of interest in general, than can possibly be made of it after it has got hither &c."

So plausible an objection, nothing but experience could refute. But it is now indisputably ascertained, that this country was possessed of resources which rendered all apprehensions of that nature ideal. Who can now doubt, that an additional sum sufficient to have extinguished the whole of our present debt might have been annually raised in former times without oppressing the people? It would have required, it is true, more popular or abler ministers. They must have sacrificed, perhaps, some share of their own emoluments, to have roused a proper spirit in the nation; and the public must have been convinced, that the management of their affairs was in the hands of men who had nothing but their interest at heart, and who had devoted their time and labours for the benefit and salvation of their country. In such a case, it will be hardly disputed, that no backwardness would have been found in the British nation in submitting to any tax that would have been necessary for that purpose.

Besides, taxes do not alone affect the industrious part of the community. When wisely imposed, they in general fall upon the idle consumer, who seldom thinks of making *compound interest* of the money he might save, if no such tax existed. I say *might save*: for if the tax did

^{co}. Remarks on Dr. Price's Appeal to the People, printed anno 1772, p. 8, and 10.

not exist, the money, instead of being saved, would probably be wasted in the purchase of luxurious foreign superfluities. A small additional duty upon porter, an additional land-tax of only six-pence in the pound, or (according to Dr. Price), a tax upon celibacy, imposed at the accession of the present Royal Family, would, before this time, have extinguished a considerable portion of our debts. What possible evil could have arisen from any of these taxes? Would less porter have been consumed; fewer of our fields been cultivated; or would the population of the country have been decreased? Every one must answer these questions in the negative.

The only remaining objections to an unalienable sinking fund, are the power which it is supposed it would put into the hands of the minister; the encouragement that it would afford to stock-jobbing; and the fluctuations which it would occasion in the price of the funds, according as small or great sums were sent into the market.

But these objections are easily removed. For in the first place, such a fund ought to be confided to the care of commissioners appointed for that special purpose, and not entrusted to any of those fluctuating boards which at present exist. Such commissioners ought to consist partly of certain great officers of State, who should be entitled, *ex officio*, to a seat at the new board (to act occasionally as a check upon the efficient commissioners), and partly of respectable individuals, to whom the real management of the business should be committed. To give the latter every chance for permanency, the number should be so few, that their removal could be no object to a party in opposition, should it chance to prove victorious. The money to be applied for purchasing stock, or discharging any particular branch of the funds, should be laid out monthly, and not brought at once into the market; and before any stock was purchased, public intimation of it should be issued: every stockholder should be invited to give in his proposals for the stock he held; and the commissioners should be tied down, under the strictest penalties, to accept of the lowest offer, or to divide the sum to be laid out proportionably among those whose terms were equal.

Under these regulations, unalienable sinking funds may be safely and usefully established.

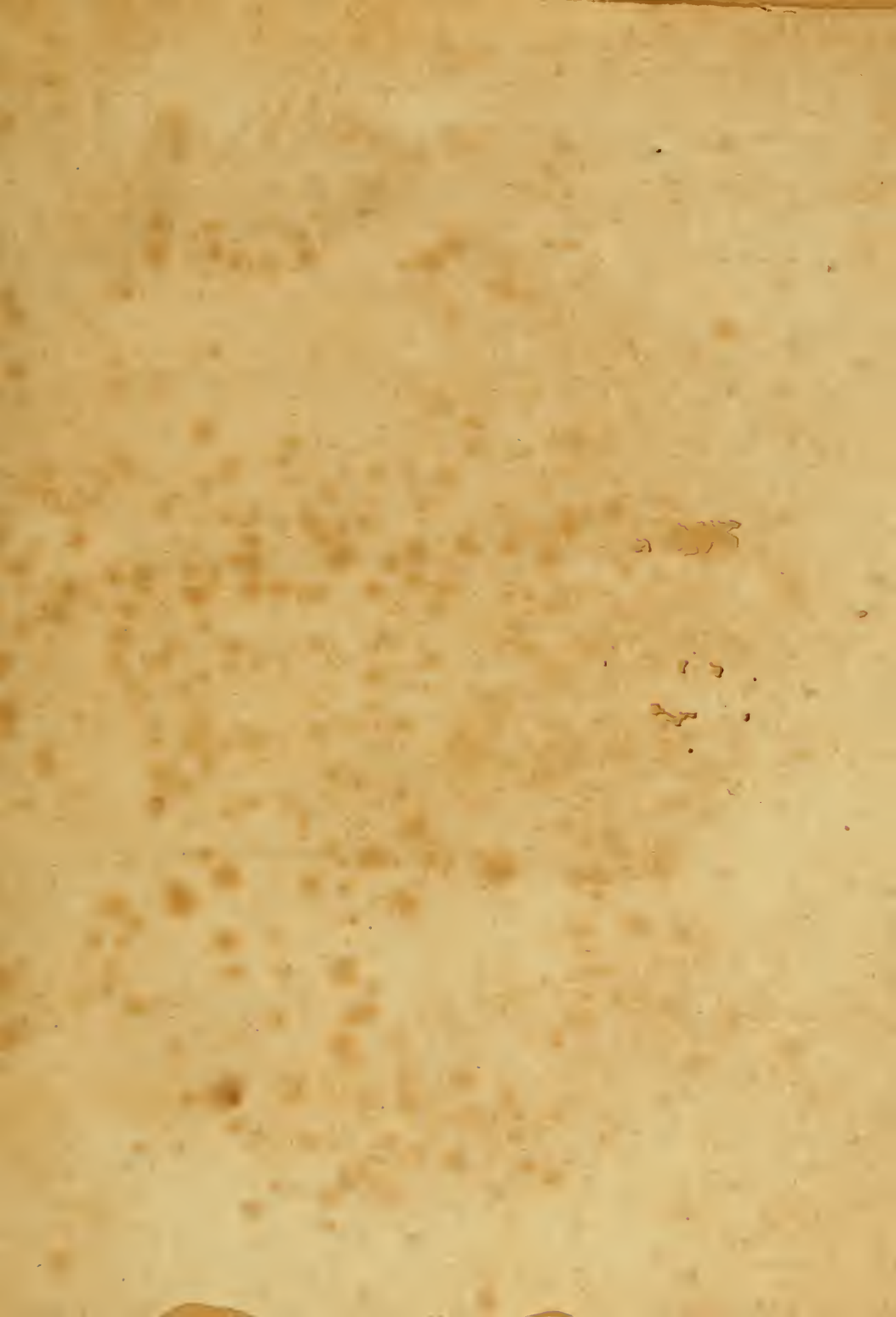
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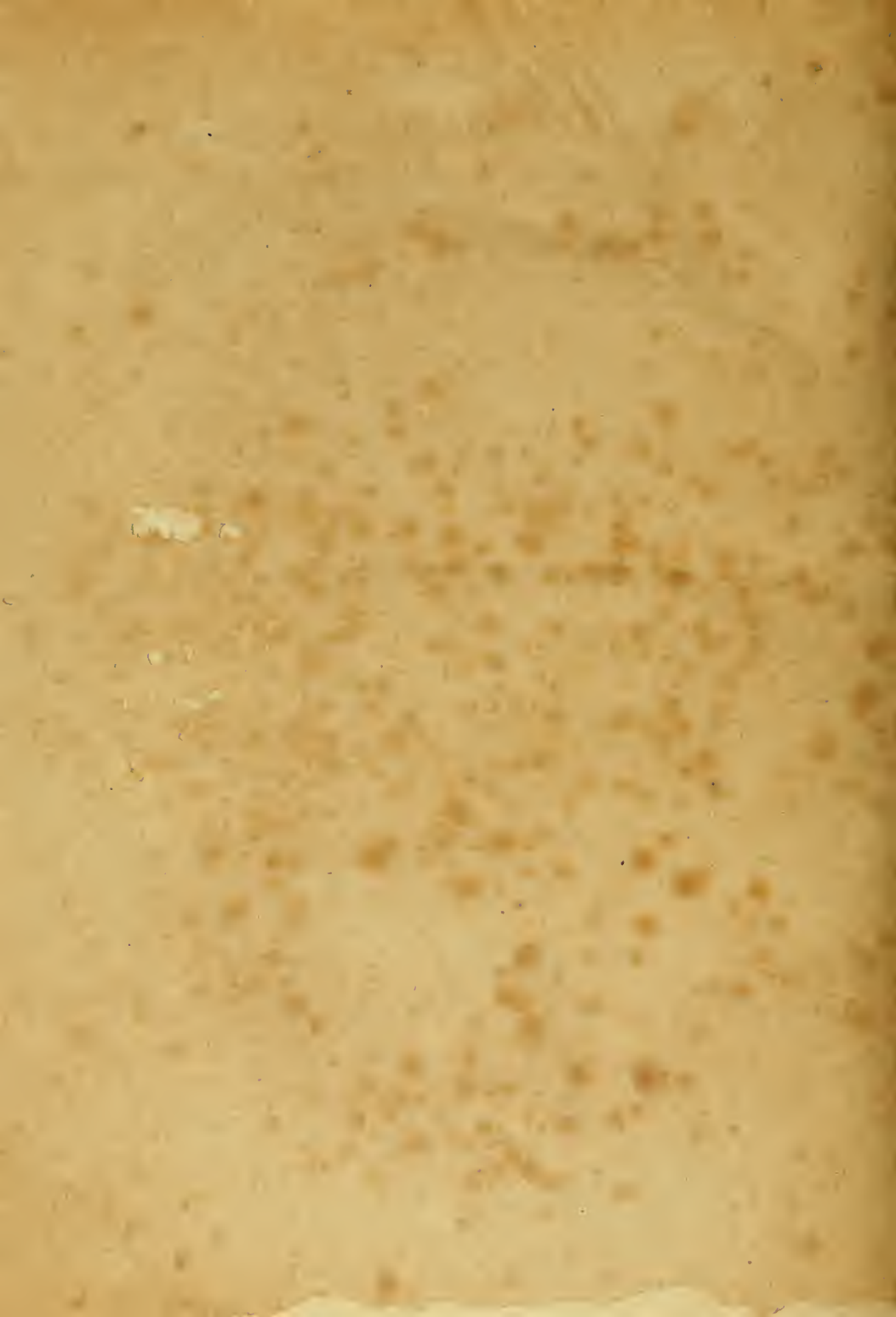
Whoever

Conclusion of
this Chapter.

Whoever has attentively considered the subject treated of in this and the preceding Chapter, will probably be of opinion, that our present distresses are in a great measure owing to our want of experience in regard to the funding system. Neither our ministers nor the public, had the example of any state, in ancient or in modern times, to guide them through so intricate a labyrinth. The object, therefore, they kept in view, was merely to relieve the pressure of the present moment, trusting that posterity would find out what remedy should be applied, to prevent a ruinous accumulation of the burden. But had we now the same course to run, our statesmen, instructed by past events, would find little difficulty in conducting the greatest and most complicated operations of finance; nor would the public at large be at a loss to know, what measures were necessary to be taken, for the general interest of the community.

END OF PART II.





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